

Gadhafi Says He Would Accept Soviet Missiles on Libyan Soil

By James Barron
New York Times Service
NEW YORK — Colonel Muammar Gadhafi, the Libyan leader, says he is willing to allow Soviet nuclear missiles on Libyan soil.

"Libya will in fact declare that it is a Communist country and join the Warsaw Pact and deploy Soviet missiles on the coast of the Mediterranean," the Libyan leader said in an interview with NBC News. The portion of his statements that was broadcast did not indicate that such a decision had been made.

"When we become one military camp, nothing will be prohibited," Colonel Gadhafi said. "That means when Libya becomes a Communist country, then that's final. The United States knows if it continues its aggression this could lead Libya to join the Soviet side, and that's going to overturn the balance of power in the region."

It was not the first time that Colonel Gadhafi has discussed the possibility of an alliance with the Warsaw Pact. But it apparently was the first time that he said Soviet missiles could be stationed on Libyan soil or that he would give his approval to a Soviet naval base at Tobruk, on the Mediterranean.

There was no indication that the Russians would take up such an offer. In the last year, the Kremlin has distanced itself from some of Colonel Gadhafi's activities.

Colonel Gadhafi's comments were made almost a year after American jets bombed Libya in retaliation for a bomb attack by terrorists on a Berlin discotheque that was a popular gathering place for American soldiers. The terrorists were believed to have links to Libya.

Soviet advisers have been posted

in Libya, but Colonel Gadhafi has not allowed Moscow to build bases or station troops on Libyan soil.

Last week, according to the NBC broadcast Sunday, several radical Palestinian leaders visited Libya at Colonel Gadhafi's invitation. In the interview, Colonel Gadhafi said it was a unity meeting, but he added that he did not care if the world considered it a convention of terrorists.

A spokesman for NBC News said the Palestinians included Nayef Hawatmeh of the Democratic Front for the Liberation of Palestine and a representative of Sabri el-Banna, also known as Abu Nidal, who is believed to have been behind the 1985 massacre at Rome airport.

Colonel Gadhafi said that if the radical Palestinians were terrorists, "then I, too, am a terrorist."



The wife of General Licio Giorgieri, Gorgia, center, at the funeral Monday in Rome.

THATCHER: A Crusader in Defense of the West

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socialism, radicalism," and her own conservative values, he said.

Mrs. Thatcher has asked for another term in office to completely "eradicate" the opposition Labor Party's brand of socialism from Britain and steer the country toward what she has described as a more American-style political system, in which the two main parties "believe in fundamentally the same things."

"Thatcher plays a special role" in the Western alliance, an official said. "She has been around a long

time, she has no real domestic rival, she has a cohesive, long-term team."

Over the past several years, Mrs. Thatcher has removed virtually all senior officials who disagreed with the style or substance of her government.

In the view of those remaining, her government's cohesion gives her advantages her European colleagues do not have.

During the early 1980s, Mrs. Thatcher's personal status in Western Europe was undermined by an often belligerent attitude in inter-

national European Community battles, and by her apparent closeness with the United States at the expense of her European colleagues.

More recently, however, she has made a visible effort to turn her attention toward creating a European consensus on several key issues. At the same time, she has used her relationship with President Reagan to "keep the Americans on the straight and narrow," especially on East-West defense issues, according to the same official.

Mrs. Thatcher's supporters date her first effective use of this influence from 1983, when Mr. Reagan announced his plans for a space-based missile defense, the Strategic Defense Initiative.

Europe greeted SDI with varied views reflecting concerns about whether it would be consulted on testing and deployment of the system, what part it would play in technological development, and whether the program would undermine the 1972 anti-ballistic missile treaty.

In early 1984, Mrs. Thatcher traveled to Washington for private meetings with Mr. Reagan. The goal, another official here said, "was to put the program on track, saying SDI is good, but it has to be negotiated with the Russians, and arms control must go on."

The disappointment in the meetings between Mr. Reagan and Mr. Gorbachev in Iceland in October was another major step in what is seen here as Mrs. Thatcher's developing role as spokeswoman for Europe and go-between with the Reagan administration.

Mrs. Thatcher, and most of her senior West European counterparts, considered the Iceland meeting an "absolute and utter disaster," according to a Western diplomat.

After Mr. Reagan and Mr. Gorbachev failed to reach an agreement eliminating strategic nuclear weapons within 10 years, it was Mrs. Thatcher who carried the European message of displeasure to Washington.

She emerged from a second meeting with Mr. Reagan in November with an agreement that circumscribed U.S. goals, and committed Mr. Reagan to consulting the allies before altering the U.S. negotiating position at further East-West talks.

"It's not a formalized consensus," an official here said. But she said Mrs. Thatcher talked to Chancellor Helmut Kohl of West Germany, President Francois Mitterrand and Prime Minister Jacques Chirac of France.

"She sees these people often," he said. "When she goes to Washington, she is confident she knows what the others are thinking. And, in Paris and Bonn, they know that if they've got a message, there's no better messenger."

Thatcher Urges Caution In Arms Talks With Soviet

Reuter
BONN — Prime Minister Margaret Thatcher of Britain, in talks Monday with French and West German leaders, urged a cautious approach to arms control negotiations with Moscow, emphasizing that the West could not afford any mistakes.

Mrs. Thatcher held consultations with President Francois Mitterrand of France in Normandy and then flew to Bonn to meet with Chancellor Helmut Kohl. She will fly to Moscow on Saturday.

British sources said the prospect of a U.S.-Soviet pact to eliminate medium-range missiles from Europe dominated the talks.

Mrs. Thatcher, at a press conference with Mr. Kohl, said: "We talked about the arms control negotiations in detail, being very aware, both of us, that we are responsible for the defense of our own countries and part of the NATO alliance."

"Defense weaponry is so complicated these days and the time taken to produce it so long that one can never afford to make a mistake," she continued. "Indeed, one mistake could mean that we could nev-

er catch up if anything were to happen."

Mr. Kohl said it was important that Mrs. Thatcher have the support of her West European allies in her talks with Mr. Gorbachev.

"This trip is taking place at a highly important moment," Mr. Kohl said. "In the Soviet Union a good many things have started to move under Gorbachev. None of us knows where this movement will lead to."

Mrs. Thatcher and Mr. Mitterrand earlier made clear that they would reject any attempt to include their countries' independent nuclear forces in Soviet-U.S. arms control negotiations.

"The U.K. and French independent nuclear deterrents are not involved in these negotiations," Mrs. Thatcher said after her talks in France. "They are crucial, and their continuation is crucial, to the defense of our two countries."

Mr. Mitterrand, referring to Mrs. Thatcher's visit to Moscow, said he had not given her any general mandate to speak on France's behalf, but on this issue, "Mrs. Thatcher can very well say it on behalf of our two countries."

Rome Killing Was SDI Protest, Group Says

United Press International
ROME — An urban guerrilla group said Monday that it had assassinated the Italian Air Force general in charge of air and space weapons procurement to protest Italy's participation in President Ronald Reagan's Strategic Defense Initiative.

General Licio Giorgieri, 62, who was shot and killed Friday by two men on a motorcycle as he was being driven home from work, was buried Monday in Rome. Political

military and government leaders attended the funeral.

Callers identifying themselves as members of the Union of Fighting Communists, a wing of the Red Brigades, gave newspapers to Rome, Milan, Turin and Genoa directions to find identical leaflets hidden in photo booths and toilets.

"No to Italian admission to star wars — Italy out of NATO," was printed on the cover of a 14-page leaflet, which bore the five-pointed red star inside a circle that is the Red Brigades' emblem.

The leaflet said the group killed General Giorgieri "exclusively for his responsibility exercised following the Italian admission in the 'star wars' project."

The word "exclusively" was underlined.

Italy agreed in September to take part in SDI research, but Admiral Carlo Porta, national director for arms procurement, said General Giorgieri had nothing to do with the program. Officials said the group probably was misled by his title: director general of air and space weapons construction.

Guilty Plea Given in N.Y. AIDS Killing

The Associated Press
MINEOLA, New York — The murder trial of a 19-year-old homeless man ended abruptly Monday when he pleaded guilty to manslaughter for killing a man who told him he had AIDS after they had had a sexual encounter.

Lorenzo D. Owens told Judge Richard C. Delin in Nassau County Court that he slit the throat of Kenneth Grieco, 22, in Mr. Grieco's home on April 20, shortly after the two had sex. Mr. Owens faces a maximum term of 25 years in prison. He is in the sentenced on April 21.

The case drew the attention of

homosexual rights advocates, who said that if Mr. Owens were found not guilty it would foster more irrational responses in acquired immune deficiency syndrome. No cure has been found for the fatal disease, which cripples the immune system.

4 Die in Crash of U.S. Copter
Agence France-Press
MANILA — Four U.S. Navy servicemen on a routine training flight were killed Monday when their helicopter crashed into a river northwest of Manila, a spokesman at Subic Bay Naval Base said.

Glasgow Workers Extend Takeover At Caterpillar

International Herald Tribune
LONDON — A standoff between the U.S. multinational company Caterpillar Inc. and about 800 factory workers at its Glasgow plant intensified Monday. The workers voted to continue their 10-week occupation of the plant, and Caterpillar threatened to file a lawsuit on Wednesday to have them evicted.

"I doubt very much that this will come to a physical confrontation," Eddie McEneaney, one of the plant occupants, said by telephone. "We've arranged for lawyers to argue our case in court."

The workers have maintained a peaceful sit-in at the plant since Jan. 14, following an announcement by Caterpillar, one of the world's largest manufacturers of tractors, that it would close the plant within 15 months as part of a global restructuring.

Bush Asserts He Expressed Iran Dissent

Washington Post Service
QUITO, Ecuador — Vice President George Bush says that he personally told President Ronald Reagan that he had reservations about the Iran arms sale as the policy was evolving.

Facing a political controversy over whether he had supported the clandestine sales, Mr. Bush said here Sunday, "I expressed my reservations to him as he knows and as he has confirmed."

On Friday, the White House spokesman, Martin Fitzwater, said that as the secret arms deal evolved, Mr. Bush expressed "certain reservations" about the policy to White House officials.

The vice president spent more than four hours in Ecuador to pledge U.S. aid to the earthquake-stricken country and to show support for President Ledy Febres Cordero, a close U.S. ally.

Mr. Bush said he would "actively intercede" to support Ecuador's request for loans from the World Bank and Inter-American Development Bank to rebuild the country's only oil pipeline and reconstruct roads, schools and houses in the earthquake zone.

The earthquakes, two weeks ago, killed more than 1,000 people, left 30,000 homeless or jobless and stranded up to 70,000 in a remote area in northeastern Ecuador.

BUSH: Mystery Man

(Continued from Page 1)
Mr. Bush spotted the dangers in the president's tendency to delegate large amounts of authority to subordinates.

Nowhere in the evidence made public is there a point at which Mr. Bush attempted to stop the Iran effort, as did the former national security adviser, Robert C. McFarlane.

Mr. Bush said he had had reservations about "certain aspects" of the Iran initiative. According to the Tower board report, Mr. Bush expressed concern about how the United States was "in the grip of the Israelis" during the effort. A source said this had been a concern Mr. Bush expressed from the early stages.

There is no record that Mr. Bush had other "reservations" about the Iran arms sales at the time they were going on. After the initiative became public, he expressed concern about the way it was handled outside of normal White House procedures, and he has said it was wrong to trade arms for hostages.

Like Mr. Reagan, Mr. Bush was reluctant to acknowledge that the administration had made such a trade.

The full story of the Iran-contra affair is not yet known, and the congressional investigations as well as the special prosecutor's investigation may add new details about the vice president's role in the Iran initiative.

Mr. Bush has created much of the mystery about his role, as he has about his other activities during the Reagan years. The vice president has long made it a practice not to disclose the advice he gives the president, and he has refused to say what he told Mr. Reagan in their private conversations.

"What I do have is the ability to walk into the Oval Office without asking anybody about it and give him my view," Mr. Bush said at a news conference last week in Florida. "He knows that I'm not going to go out and say, 'Well, I disagreed with the president on this, or I told him he ought to do this, but he wouldn't do it.'"

"So when he agrees, he knows I'm going to be supportive, and when he disagrees, he knows I'm going to be supportive. I don't think the vice president ought to be adding to the burden of the presidency by publicly posturing."

Mr. Reagan, however, opened the door slightly on Mr. Bush's advice last week in his nationally televised news conference.

At the end of the session, a reporter asked if Mr. Bush had objected to the Iran initiative. Mr. Reagan paused and said firmly, "No." On Friday he revised his account, telling a spokesman that Mr. Bush had expressed reservations, while supporting the policy.

Evangelist Gets \$1.3 Million for Fund

TULSA, Oklahoma (AP) — A Florida millionaire gave a check Monday for \$1.3 million to Richard Roberts, the son of the evangelist Oral Roberts. The contribution was believed to have fulfilled the evangelist's \$8 million goal for a fund for medical missionary scholarships before what he has called a do-or-die deadline from God.

Mr. Roberts has been criticized since a nationwide appeal on his weekly program Jan. 4 claiming God would "call him home" if he failed to raise the funds by March 31. Officials of the Roberts ministry did not acknowledge whether the donation would put Mr. Roberts over the \$8 million goal, but they said last week that the fund drive was about \$1 million short.

Jerry Collins, 79, of Sarasota, Florida, who contributed the \$1.3 million, said he was moved by Mr. Roberts' claim that he would die without the money. But he added: "He doesn't have to commit hara-kiri now. I think he needs psychiatric treatment. He needs to relax and get back on the main street."

Correction

A New York Times dispatch March 19, on speculation that Senator Dennis DeConcini may be appointed director of the FBI, misstated Arizona's means of filling congressional vacancies. A seat is always filled by election, never by gubernatorial appointment.

FARM: Aid May Be Summit Focus

(Continued from Page 1)
bate and push the trade talks along. The June meeting also is to be attended by the leaders of Japan, West Germany, France, Italy, Britain and Canada.

The odds for success increase when we get heads of government sending these kinds of instructions," said Daniel G. Amstutz, an undersecretary of agriculture.

The president's commitment to the issue of agriculture makes it central even to those governments that might prefer a different emphasis. West Germany, for example, would give higher priority to dealing with the budget deficit in the United States, which the Germans see as the main cause of the imbalances in the world economy.

At the source of the farming problem are the basics of supply and demand. Worldwide farm production has been rising about 5 percent a year, according to Robert L. Thompson, dean of agriculture at Purdue University. In the 1980s, Europe, India and China have become exporters of farm products.

The surplus production of the 1980s now mocks the accepted wisdom of the 1970s—that the world was headed toward critical shortages in food.

"We've got the problem of over-production in a saturated world market," said Berwert Renshaw, an economist at the Washington offices of the European Community.

With supplies of food outpacing demand, prices have dropped

WORLD BRIEFS

Captain Held in Philippine Bombing

MANILA (AP) — The military chief of staff said Monday an army captain has been arrested as the prime suspect in last week's bombing at the Philippine Military Academy. Four persons were killed in the attack.

General Fidel V. Ramos said the captain, who was detained last week after the bombing, was an official of the Guardians, a military fraternity group whose members were involved in an attempted coup Jan. 27 against President Corason C. Aquino. Military officials said that disaffected military personnel may have been responsible for the bombing Wednesday and that Mrs. Aquino may have been the target.

Meanwhile, Communist rebels in northern Mindanao Island proposed a limited cease-fire during the Easter holidays next month and for congressional elections May 11. It was the first such offer since a cease-fire between rebels and government forces expired Feb. 8.

15,400 Ill in Chinese Chemical Spill

BEIJING (Reuters) — More than 15,400 people in the north China province of Shanxi suffered poisoning after a fertilizer factory released chemicals into a river used for drinking water, the China Daily reported Monday.

The English-language paper said no one was killed in the incident, which took place in Zhangzi County in January, but that thousands of people complained of headaches, stomach pains and diarrhea. It said those responsible would be charged and brought to trial. The factory was fined 30,000 yuan (\$8,100) and its deputy director was removed, the paper said.

Many fish were killed by the 18 tons of highly poisonous ammonium hydrogen carbonate liquid that poured into the Nanshang River when maintenance was being performed on equipment at the plant, it added.

Tunisian Said to Confess in Djibouti

DJIBOUTI (Reuters) — A Tunisian has confessed to planting a bomb that killed 11 persons in a Djibouti cafe and said he was recruited in Syria, President Hassan Gouled Aptidon said Monday.

Mr. Gouled said that the Tunisian, Adonam Hamouda Hassan, 21, planted the bomb on behalf of a Middle Eastern extremist organization called the Troops of Revolutionaries and Resisters.

The Tunisian reportedly told his interrogators that he was recruited in Damascus, the president said. He did not report a specific motive for the attack. Foreign Minister Moumin Bahdon Farah said earlier that the bombing was intended to disrupt peace moves in the Horn of Africa where Djibouti's two neighbors, Ethiopia and Somalia, have begun a dialogue to resolve their dispute over the Ogaden region.

Greek Bishops Protest Land Takeover

ATHENS (Reuters) — Greek Orthodox bishops said Tuesday they would boycott a church service in Athens celebrating Greek Independence Day on Wednesday to protest government plans to take over monastery lands. March 25 is Greece's most important holiday.

Jeronymos, bishop of Thebes and Livadia, said nearly 100 priests in his diocese told him they were ready to resign if a government bill on church property became law. The bill provides for 321,000 acres (129,900 hectares) of forests and meadows to be transferred to the state within six months and gives the state increased influence in church government.

The government says it will distribute the church lands to poor farmers. The bishops accused Prime Minister Andreas Papandreu of planning to give the land to prosperous agricultural cooperatives.

U.S. Denies That It Stalls Arms Talks

WASHINGTON (Reuters) — White House officials denied Tuesday a Soviet accusation that the United States was blocking progress on an accord to eliminate medium-range nuclear missiles from Europe. Martin Fitzwater, the White House spokesman, described the Soviet allegation as posturing, and said the tactic was familiar.

Viktor Karpov, the chief Soviet negotiator at the arms talks at Geneva, said Tuesday that there were more and more signs that Washington did not want an agreement. He charged that the so-called "zero option," to eliminate medium-range missiles from Europe, first proposed by the United States in 1981, "was a bluff from the very start."

TRAVEL UPDATE

Japan Air Lines and Aeroflot, the Soviet state carrier, will increase flights across Siberia, Tass said Monday. Beginning April 1, JAL will add a sixth weekly, nonstop flight from Tokyo to Europe across Siberia. Aeroflot will make 10 flights a week to Tokyo, and will increase freight traffic from the port of Khabarovsk to Japan.

China and Portugal Reached Agreement

China and Portugal reached agreement Monday on the transfer of the Portuguese enclave of Macao to China after more than 400 years. Portuguese officials in Beijing said the agreement called for the tiny island to be handed over Dec. 20, 1999.

Correction

A New York Times dispatch March 19, on speculation that Senator Dennis DeConcini may be appointed director of the FBI, misstated Arizona's means of filling congressional vacancies. A seat is always filled by election, never by gubernatorial appointment.

FARM: Aid May Be Summit Focus

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sharply. The richer countries help their farmers maintain incomes through direct governmental payments, subsidies and restraints on imports. That support has encouraged farmers to produce even more.

By subsidizing their own production, the richer countries undermine the ability of poorer countries, where production costs are often lower, to sell their goods in the world market. This deprives them of revenues they need to develop their economies and make payments on their loans from developed countries.

It is generally conceded that the least painful way for nations to reduce their spending for farmers would be to coordinate reductions in aid so that no one country gains at another's expense. But disagreements arise over the precise approach to take.

Mr. Woods, the deputy U.S. trade representative, said some European countries favor a policy that would, in effect, create cartels to ensure all countries a piece of world agricultural markets. Others want agreement on rapid and concerted reductions by all countries of the subsidies they pay to promote exports.

The Reagan administration says the first approach is a violation of its free-market economic philosophy. It views the second method as a partial step toward its own goal — comprehensive, step-by-step removal of barriers to trade.

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Pentagon vs. NASA: Debate Focuses on Jumbo U.S. Rocket

By Rudy Abramson
Los Angeles Times Service

WASHINGTON — The Heavy Lift Launch Vehicle, a rocket intended to launch 75 tons of cargo or more at a greatly reduced cost, has become the subject of a rearguard debate over the degree of military involvement in the U.S. space program.

The air force and the National Aeronautics and Space Administration each want to build the rocket. To the alarm of proponents of the civilian space program, the air force has the upper hand.

NASA engineers predict that two or three launchings of the jumbo rocket could put into orbit the entire structure for a permanent manned space station in the 1990s.

The rocket, they say, might even make possible the simultaneous launch of dual planetary missions. Designers of the Reagan administration's proposed space-based missile defense system envision that the rocket will launch huge orbiting platforms from which small missiles and projectiles could be positioned to intercept enemy missiles.

According to congressional and administration sources, President Ronald Reagan approved the Pentagon's approach at a meeting in December with Secretary of Defense Caspar W. Weinberger and Lieutenant General James A. Abrahamson. The general is director of the Strategic Defense Initiative Office, which runs the SDI program.

As a result of that session, the administration asked Congress for \$250 million to begin developing the jumbo rocket under the Pentagon's direction.

That left NASA, which was focusing on getting its space shuttle flying again after the explosion of the Challenger in January 1986, on the sidelines of what it considered its own domain. It also troubled NASA's allies.

"We are dealing here with a very important policy question," said Senator Donald W. Riegle, Democrat of Michigan, chairman of the science, technology and space subcommittee of the Senate Commerce, Science and Transportation Committee. "If you look at the drive on space spending, you see a tremendous surge on the military side, and it is obvious that any major decision such as this adds to the strength of the Department of Defense and takes away from the strength of NASA."

Representative George E. Brown Jr., Democrat of California, the second-ranking Democrat on the House Science, Space and Technology Committee, said that the White House was "strongly biased toward the military uses of space."

"The funding for the space program is now about 3 to 1 military," Mr. Brown said. "We just have to begin to swing back to something closer to a 50-50 balance between defense and civilian space if we are going to maintain any real progress."

Earlier developments have heightened the concern about who will control the heavy-lift booster. Among them are:

- The decision to give the air force the leading role in developing the hypersonic aerospace plane and giving the military priority to use the space shuttle when it resumes flying.
- The concern of NASA's European partners over the military's role in the proposed space station.
- The administration's decision to turn commercial satellite launchings over to private industry and its slow pace in acquiring unmanned rockets to supplement the shuttle.

In Congress, Senator Ernest F. Hollings, Democrat of South Carolina, is one of the air force's few supporters in its dispute with NASA. Mr. Hollings heads the Senate Commerce, Science and Transportation Committee, which oversees NASA's budget, and

serves on the military appropriations subcommittee.

He said he favors air force management of the jumbo rocket because NASA, burdened by its recovery from the shuttle disaster and its inauguration of the space station program, would take longer to get the job done.

But he conceded that it may be easier to win congressional approval to give the program to NASA than to the air force.

"It appears clear that the intent is for NASA to play a very minimal role," said Senator Howell Heflin, Democrat of Alabama.

Senator Albert Gore Jr., Democrat of Tennessee, warned that the administration's proposal would be a step along the way toward taking NASA out of the space transportation business. In that case, he said, "NASA might as well close its doors."



Bernhard H. Goetz arriving Monday at the court for the beginning of his trial.

Trial Begins for Goetz, a Symbol of Fear of Crime

By Kirk Johnson
New York Times Service

NEW YORK — More than two years after Bernhard H. Goetz, a passenger on a Manhattan subway train, pulled a pistol and shot four young men, questions about the shootings and the laws governing deadly self-defense still reverberate.

Monday, in one of the largest courtrooms of State Supreme Court in Manhattan, the first jurors were chosen in Mr. Goetz's long-delayed trial. Prosecutors, legal experts and others familiar with the case, including Mr. Goetz himself, say the trial, whatever its outcome, is unlikely to settle the issues raised by Mr. Goetz's acts.

Most of the facts of the case are not in dispute. Mr. Goetz, a white electrical engineer from Greenwich Village who was 37 years old at the time and who had been mugged twice before, had admitted shooting four young black men on the subway train Dec. 22, 1984, just after 1:30 P.M.

They had surrounded him, he told authorities in a videotaped statement that will probably be played at the trial, and had asked for \$5.

Convinced, he said, that he was about to be robbed and perhaps harmed, Mr. Goetz pulled an unregistered pistol, selected what he called his "pattern of fire" and pulled the trigger four times.

Three of the shots hit James Ramsey and Troy Canty, both then 19, and Barry Allen, 18, all of the Bronx. The fourth shot missed and ricocheted in the subway car, and Mr. Goetz paused.

Seeing another of the youths, Darrell Cabey, 19, unharmed, Mr. Goetz said, according to his videotaped statement, "You don't look so bad — here's another." He fired again, and the bullet severed Mr. Cabey's spinal cord, leaving him paralyzed from the waist down.

From this brief confrontation, however, has flowed a complex legal case wrapped up in a passionate public debate.

"I don't think the social issues are going to be settled by this trial, if that's what people are looking for," Mr. Goetz said Friday. "In New York, you're still not allowed the right to defend yourself."

Mr. Goetz said he believed the trial would be a fairer one now than if it had been held two years ago, when he was indicted and accused of attempted murder, assault, reckless endangerment and illegal possession of a weapon.

"It's a lot better for me now than two years ago," he said. "Public opinion has matured a great deal. A lot of people identify their interest more with me than with the people I shot."

Legal experts say that because Mr. Goetz

has never denied his actions, but rather has defended them as legitimate self-defense, the important developments in his trial will be in interpreting the evidence rather than the revelation of much new evidence.

Those developments, they said, are likely to center on three main points:

• Whether Mr. Goetz was "reasonable" in his belief that he was about to be robbed, and therefore justified in using deadly force to defend himself. The prosecution must prove that he was not reasonable.

• Whether his fifth shot, fired after the four youths had fallen, must be judged by a different legal standard or whether Mr. Goetz was still "reasonably" defending himself from harm.

• Whether the judge's charge to the jury at the conclusion of testimony will allow the jurors to consider the full "circumstances" in which Mr. Goetz found himself. Under a broad interpretation, the jury could consider more fully his state of mind in light of the two previous muggings he had experienced.

A more narrow charge by the judge would limit the jury, so it could consider Mr. Goetz's actions only in the context of the scene in the subway car.

Those issues were focused in the Goetz case by court rulings last year, culminating in a decision in July by the state's highest court, the Court of Appeals. That ruling, which Mr.

Goetz's attorneys believe has essentially changed the law in New York on the justification of deadly self-defense, said a person who acts in self-defense must be judged on subjective and on objective levels.

On the subjective level, the jurors must find that Mr. Goetz believed he was acting reasonably. On the objective level, the panel must find that his actions were what a "reasonable man," in the same circumstances, would do.

The previous legal measure of justification was generally held to be the subjective standard only.

What will be determined in the courtroom proceedings, which began Monday with a jury pool of 136 people and a projected date of April 27 to begin testimony, is how to measure the word "reasonable" in a fast-moving, potentially lethal situation, as well as what may be included in the word "circumstances."

As for Mr. Goetz, who faces up to 25 years in prison on each of the attempted murder counts if he is convicted, he said he had tried to remain philosophical.

"I've gotten an education in the last two years that money can't buy — about society, myself, human nature," he said. "I know many people who are in much worse shape than me. I can't say life has dealt me a bad deck."

Legal, Social Pressures in U.S. Curb Drunk Driving

By Andrew H. Malcolm
New York Times Service

CHICAGO — Widening public and legislative support in the United States for ever-tougher laws against drunken driving and tighter enforcement of existing regulations appear to be noticeably deterring many from driving while intoxicated.

In interviews, officials of several states said that they had detected a silent shift in social attitudes against drunken driving, akin to the reduced acceptance of smoking in public. At the same time, social drinkers have been shunning hard liquor in favor of lighter drinks, like wine coolers and light beer.

Some experts see the shifts as part of a broader social trend emphasizing personal health habits involving, for example, less smoking, more physical exercise and greater attention to nutrition.

Statistics indicate that a combination of factors, including federal and state crackdowns and educational campaigns, are having beneficial effects, especially among social drinkers.

"There's definitely been a change in people's attitude toward drinking and driving," said John Boffa, spokesman for the Governor's Traffic Safety Committee in New York. "They take it far more seriously now."

For a while, several officials said, the public's declining tolerance for

drunken driving and its related toll was far ahead of the more lenient attitudes of judges and elected representatives. But now the officials seem to be catching up.

According to U.S. statistics, 44,000 people die on American highways each year, about half of them in accidents involving alcohol. After bolstering their laws, some states are beginning to report reductions in the number of alcohol-related deaths.

John J. Grant, the program director for the National Commission Against Drunk Driving, which monitors legislative and educational activities in the states, said that in the last five years, about 3,000 laws on drinking and driving have been proposed around the nation, and as many as 400 new ones enacted in the states to strengthen enforcement.

While he said that there was work yet to be done and that some states had laws that are weaker in one respect than others might be, "overall the states in the last five years have begun to address the problem."

In Illinois, nearly 92 percent of the 55,000 people arrested last year for drunken driving lost their driving privileges, up from only 25 percent a few years ago. The secretary of state, Jim Edgar, recently proposed legislation for even tougher regulations aimed at repeat offenders, about 22 percent of all drunken driving arrests here.

FBI Says PLO Faction Seeks Aid in U.S.

Los Angeles Times Service

LOS ANGELES — The Popular Front for the Liberation of Palestine is attempting to cultivate "broad-based grass-roots support" in the Arab-American community and from leftist organizations in the United States, according to a confidential report by the Federal Bureau of Investigation.

The main allegations in the report are that the Popular Front conducts "clandestine intelligence activities" in the United States and "funds its U.S.-based operations and contributes to the organization

abroad" from the Arab American community.

Also, the report said, the group attempts "to join with various leftist organizations, foreign and domestic, violent and nonviolent, to promote their objectives, and draws upon the vast manpower pool within the Arab-American communities to assist in filling its military ranks overseas."

The report followed a three-year investigation by the FBI into the Popular Front, a Marxist faction of the Palestine Liberation Organization with a history of terrorist attacks

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Kalb Accepts Harvard Post

NEW YORK — Marvin Kalb, a diplomatic reporter for U.S. television, has accepted appointment as the first director of the Joan Shorenstein Barone Center on the Press, Politics and Public Policy at the John F. Kennedy School of Government at Harvard University.

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Herald Tribune

Europe of the Snails

Tomorrow, March 25, the fifth day of spring and feast of the Annunciation, is the 30th anniversary of the Treaty of Rome, which announced that the European Economic Community had been born. In three decades the Community has seen both its membership and its living standards double, enriching itself faster than America, although more slowly than Japan. In absolute terms the average European is still less well-off than the American, and most are less well-off than the Japanese. Perhaps what is most striking, politically, is the way the Community has progressively opened its doors to poorer countries. A limited collection of rich countries clustered around the Rhine, with Italy tagging along, has become more representative of Europe — although with insufficient Nordic presence.

There was no lack of well-wishers around the cradle. Enthusiasm in Europe — Britain abstaining — for an institution to replace warfare by welfare was matched by American support for an initiative to make Europe more than a simple geographical expression, a mere space between the Soviets and the United States. And since the infant extended its hands to poorer countries overseas, political criticism from the nonaligned was muted. The extent of criticism of Community policies today, emanating from America, the Third World and the anti-poles alike, makes clear how far Europe has become a force to be reckoned with.

How far it is putting its strength to the best purpose is less clear. A leading Italian industrialist scorns Europe because it is the only common market it has created is, at vast cost, in agriculture. Certainly the Common Agricultural Policy has produced excesses, and a degree of inefficiency, which would have appalled the founding fathers and which envenom relationships inside and outside Europe. Curbing the profligacy is slow because governments cling to the belief that the farm vote is decisive, even though fewer than 5 percent of adults work on the land.

But the problems do not stop at the farm gate. Free trade in industry and services, the sectors in which Europe should specialize, is shackled by a welter of restrictions even after tariffs and quotas have disappeared. In a world in which Europe will increasingly depend on its ability to sell up-market high-technology products, the trap is obvious. While the United States has a domestic market of 240 million people and Japan 120 million, no single European country has more than 60 million. How can Europe keep up, in costly research and innovation, exploiting economies of scale, so long as its producers have such small markets at home? In theory, the next five years will see a genuine European market of more than 300 million people. But there are many impediments to prize from the rocks.

Most signally, Europe has failed yet to pass on from a somewhat pedestrian customs union toward more meaningful economic and monetary unity — to conditions where broad economic policies are designed more or less in mission rather than having to be brought painfully back into harmony when disaster strikes.

The present European Monetary System is a first, limited move. Perhaps by its 35th birthday Europe will have moved further. But the pace is dictated by the slowest snail. Individual governments are strangely reticent of economic sovereignty that they can no longer exercise.

INTERNATIONAL HERALD TRIBUNE

Israel and South Africa

Even when Israel's coalition leaders do right, it seems to come out wrong. It has been an open secret for years that Israel has been a covert arms supplier to South Africa. All that has been hidden is the size of the trade. Estimates vary from \$40 million to \$900 million a year. Now Israel is finally moving to halt what it has never acknowledged — but it will not say when, and its leaders imply that their welcome decision is somehow a favor to the United States. Perversely, the effect is to deny Israel the credit it deserves.

Certainly in the short term, Israel stands to lose jobs and contracts. But it is doing so favor to Washington by joining with all Western nations in halting arms sales to a racist police state. That stand is manifestly in Israel's interest. To be seen as Pretoria's

secret partner mocks Israel's moral claims, affronts black Africa, provides a propaganda windfall for the PLO and embarrasses all of Israel's allies. Why else would this trade be so furtive? Besides, why should Israel deepen its dependence on the arms bazaars, the richest commerce in the world?

It is also true that selling arms to the South Africans could, under American sanctions legislation, jeopardize Israel's \$1.8 billion in annual American military aid. And yes, there is general nervousness in Jerusalem about the Rolland spy scandal. According to Israeli officials, these were factors that led them reluctantly to end a questionable traffic. Israel has made a wise decision. Now let it be a clear one.

—THE NEW YORK TIMES

Base Pains in Spain

Haggling about military bases has all the joys of arm-wrestling on a sinking raft. Global strategic interests get hopelessly mixed with angry regional disputes when dealing with NATO allies like Greece and Turkey. Figuring fair compensation for Azores base sits argument in Portugal. And things can go sour when democracies inherit base agreements signed by departed dictators, as in the Philippines.

Or in Spain, where the United States is again learning that having bases requires hard compromises.

Secretary of Defense Caspar Weinberger flew to Madrid last week to plead the case for an air base that the Pentagon claims is "irreplaceable and vital." But Prime Minister Felipe Gonzalez will not yield a millimeter on his demand for the withdrawal of 5,000 U.S. servicemen and 72 F-16 fighters from Torroja, near Madrid. And the current accord with Spain expires in May 1988.

Consider first Mr. Gonzalez's case. Just last year he risked his political skin by reversing his Socialist Party's opposition to NATO. Challenging tradition and polls, he urged referendum approval of continued NATO membership. Spaniards gave him a 52.5 percent margin, but on his promise to begin trimming a U.S. presence consisting of 12,000 personnel at one naval and three air bases. And Spain, he pledged, would stay free of nuclear weapons. Now he has to deliver, and does not have much room for

maneuver. The bases were established under a 1953 accord that was a major political coup for the then isolated dictator, General Franco. Elsewhere in Europe, U.S. bases were identified with the defense of democracy; in Spain they were viewed as a prop of tyranny.

But if Spain looks only to its domestic politics and not to the needs of common defense, there can be no solution. The bases there are of considerable importance. The open plains, the good weather and, most important, their location far beyond the front lines in West Germany make them so.

Surely there is space for a pragmatic accommodation. Both sides are willing to reduce the number of U.S. servicemen. Both agree on continued U.S. tenancy of the naval depot at Rota, vital to the 6th Fleet. The problem is Torroja and the F-16s. Perhaps the answer is a long-term arrangement for moving the planes elsewhere in Spain or replacing them with adequate substitutes.

These issues arise almost yearly in Spain or in Portugal, Greece, Turkey or the Philippines. Billions of dollars in American aid are provided as payment for joint defense and maintaining America's strategic position in the world. These stakes and concerns are generally well understood in Washington. But the bases have to be justified over and again to the host countries, and compromises made. It is the inescapable price of leading a coalition rather than an empire.

—THE NEW YORK TIMES

Other Comment

Listen to Saudi Complaints

There is British unease at the kingdom's apparent rapprochement with Iran, signaled by the dismissal of Sheikh Ahmed Zaki Yamani as oil minister, and worries that for all the reforms in prospect, Saudi Arabia may be moving too slowly to head off internal unrest that could destabilize the whole region. There is no doubt in anyone's mind that Saudi Arabia has been, and remains, a force for moderation, a state whose influence has been consistently deployed in the interests of regional balance. If there are to be complaints, then those from Saudi Arabia have more force: that the West has done little to address the Palestine issue; that the central problem of the Middle East; that cynical Western sales of arms to both Iran and Iraq have made it more difficult for

mediators to make any progress toward ending that conflict; and that Saudi efforts to build up the ability of Gulf states to provide their own defenses have not been understood nor appreciated.

—The Independent (London).

Talking About Suicide

Studies have found that the publicity surrounding some suicides tends to generate imitation suicides. But the evidence also seems clear that the publicity helps spur action at both family and community levels. Suicide is the second leading killer of teenagers in the United States. Maybe adults and children simply must talk more openly. Maybe adults need to show that they, too, sometimes feel hopeless and powerless.

—The Chicago Sun-Times.

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Building a Wall Doesn't Solve the Problem

By Robert B. Reich

BOSTON — In the third century B.C., Emperor Shih Huang Ti began building a wall along China's northwest border to seal off the Middle Kingdom from marauding nomads. Five hundred years later Hadrian tried the same approach in England. A thousand years later, the same solution was invoked by the walls of medieval Europe to keep out bandits and armies. In this century, France built the Maginot Line along its border with Germany. Wall building is not a new idea.

The instinct to define and defend a safe bit of territory, making it secure against evil forces, runs deep. Walls and locked gates give palpable evidence of security. If we stay within the bounded area, we feel invulnerable.

Most people who now inhabit the planet have been forced to give up the quest for invulnerability as unrealistic. They are too often reminded of their dependence upon, and vulnerability to, others beyond their borders. But in the United States, a land historically and geographically cut off from the rest, in which people tell each other stories of self-reliance and ward off evils "out there," the dream of invulnerability endures.

That dream has led America to concentrate its efforts on warding off outside perils, often at the expense of tending to perils within.

Consider four examples:

- The primary American response to cocaine and other noxious drugs has been to fortify the perimeter. Narcotics agents are using paramilitary techniques to eradicate drug crops, interrupt supply routes and seize contraband at the border. There has been less diligence, however, about eradicating the drug habit. Capitalism is a sturdy institution; enterprising drug traffickers are only slightly deterred by border patrols

when so lucrative a market beckons. Americans cannot get control over the drug problem unless they get control over themselves.

- The primary response to the influx of steel, autos, television sets and computer chips has been to raise the walls ever higher, with quotas and other mountain barriers. Americans routinely blame "them" for shipping inexpensive, high quality stuff, and not buying enough of America's more expensive, lower quality stuff.

In 1980, 20 percent of the goods produced in America were protected against foreign imports; today more than 35 percent are, and Congress is crafting even higher barriers.

There remains the disconcerting fact that Americans want to buy goods cheaply, and often cannot make them as cheaply or as well as foreigners can. If there were not such an overwhelming desire for Japanese cars and computer chips, South Korean steel and Taiwanese television sets, the problem would not exist. So the responsibility is at least half American. If others can do something better and more cheaply, Americans ought to learn to do it as well, or to do something else that others cannot so easily rival. If others are willing to sacrifice profits now for the sake of larger profits in the future, Americans should make similar sacrifices if they hope to stay in the game.

- The response to the flood of Latin American immigrants has been to "regain control of our borders." Patrols have become more aggressive in capturing foreigners trying to enter illegally from Mexico; immigration officials have become more ruthless in ferreting out aliens who sneak through and overstay their visas. What has been left out of the calcu-

tion is U.S. responsibility for the torrent. Americans are eager to hire fellow citizens to pick perishable crops, sew garments, assemble toys and care for their children as cheaply or as well as they want foreigners to work for them, to do jobs they are unwilling to pay each other enough to do? This entails a decision about discipline. The choice is muddled by casting the issue as one of controlling "them."

The solutions have less to do with containing "them" than with taking joint responsibility.

- In seeking to ensure national security, there has been an even greater temptation to build the walls higher rather than to take joint responsibility with "them" for managing a relationship capable of yielding devastating losses on all sides.

Before the Reagan administration launched its Strategic Defense Initiative, no real defense against intercontinental ballistic missiles was thought to be possible. The "star wars" proposal has resurrected the metaphor of a fortress, an impenetrable shield in space that will put America's fate back into its own hands. The visceral appeal of star wars has had nothing whatsoever to do with the cold logic of national defense. That it would very likely never be, that it would almost certainly be a hideously expensive approach to security are quite irrelevant evils.

Perhaps star wars may yet pay off

Openness Is in Order Here, Too

By Stephen S. Rosenfeld

WASHINGTON — There is a new strategic debate waiting to begin, or so I have come to suspect after trying to sort out a batch of my thinking by experts inside and outside the Reagan administration on the matter of command and control of the superpowers' nuclear forces.

The old debate still dominates the political arena. It is premised on the notion that the size and shape of the Soviet and American arsenals are what count, and it takes us to the familiar passionate arguments over building this and restraining that.

But there is a growing consensus that you could double the U.S. forces, as John Steinbruner of the Brookings Institution, puts it, and only marginally affect security — even if you throw in a realistic version of the Strategic Defense Initiative. It follows that security is more than the military balance, more than numbers: What counts is the way forces would be used in a crisis. This is not a new concern, but it is becoming a more central one. There is a widening respect for the difficulties of keeping control in a crisis; for the ways in which things could go wrong.

The analysts, like everyone else, are having their own crisis of confidence in deterrence. President Reagan and the "peace movement," both of whom have been so successful in the past, are being displaced — by the SDI and disarmament, respectively.

Others have decided that the calculations of rationally and partial control underlying the idea of deterrence take you only to the point where a crisis starts to go critical. At that point, other considerations take over: stress and chance, on the one hand, and, on the other, authority exercised by men and machines, beyond the president's reach. This is the theme, by the way, of David Astor's new nuclear thriller, "State Scarlet," which builds realistically to a crisis that the author resolves — but how else? — with a fairy tale.

Right here in the need for realism is where a new strategic debate, on command and control, might begin.

The Reagan administration's seriousness in devoting funds and high-level thought to improving "Strategic C" (command, control, communications) has been widely noted. The thrust of it has been to improve survivability in crisis and war situations so that the United States, even under heavy attack, could keep control of American forces and deny Moscow control of Soviet forces.

Others suggest, however, an alternate goal: not just survivability, but sophistication. Survivability means a command system that would allow one side to absorb a massive attack, and not just for a few minutes or hours but perhaps for much longer, and still then be able to retaliate massively. Sophistication means a system that would let one side, say, a light attack from a heavy one — something that evidently is very difficult now — so that if it chose it could retaliate proportionately or even end its own attack.

The administration believes — as nuclear conservatives do — that deterrence is now precarious, that U.S. forces are dangerously vulnerable to Soviet attack and that it is essential to maintain a robust war-fighting capability even as a Soviet attack rolls on.

Others think that deterrence is holding but that the dynamics of mutual engagement could cost both sides control in a crisis. To these critics, the use of control means not so much an inability to retaliate as an inability to conduct a controlled retaliation, up or down. In this spirit, Ashton Carter, a former Pentagon aide now at Harvard, calls the administration's approach "polishing a hair trigger for a system that doesn't have any eyes." He would polish the safety and improve the eyes.

Do the eyes have it? Hardly, and perhaps in part for a particular reason: Everybody — officials and critics, president and Congress, civilians and military — gets into the argument over doctrine, over deterrence. But officials, and especially the military, hold actual nuclear operations very close. Congress decides what weapons to buy but has little say about how they will be used. Apparently no one in the Pentagon, for instance, has SIOP-ESI (Single Integrated Operational Plan — Extremely Sensitive Information) clearance for the American war plan.

These matters are no more esoteric than the fine print of MX and SDI and routinely grapple with. The difference is that they may be more important. I am in a learning mode on this one. I think we all need to be.

The Washington Post.

About Bases, Facilities and Local Enmeshments

By John C. Ausland

OSLO — Since the 1960s the struggle between the United States and the Soviet Union has taken on the character of a global contest. A significant part of this competition has involved acquisition or improvement of bases and facilities in foreign countries.

The terms "bases" and "facilities" can cause confusion. Clark and Subic Bay are American air force and naval bases in the Philippines; Diego Garcia is an American base on an island in the Indian Ocean; Rota is an American naval base in Spain. The Soviets have an naval base at Cam Ranh Bay in Vietnam. But there are many places where U.S. and Soviet forces perform specific functions that do not earn the term "base." Examples would be a U.S. electronic installation in Turkey or Japan. The military refer to these locations as "facilities," particularly if the host country is sensitive about the term "base."

There are also places where the big powers can obtain services, even if they do not have permanent installations there. An example for the American navy is Cockerburn Sound in western Australia. The Soviets have access to facilities in Libya and Syria but no permanent bases there.

The United States has a far more extensive network of bases than the Soviet Union. The Pentagon says it has 334 bases and facilities in foreign countries, as compared with about 700 two decades ago. It is, however, using a narrow interpretation of these terms. Air Force Magazine says that the air force alone had 35 major and 1794 minor bases and facilities in 1985.

Soviet overseas bases are much more modest, but it has been in Vietnam, Cambodia and Laos that it much easier for the Soviet navy to operate in the Pacific and Indian Oceans. Facilities in Ethiopia and South Yemen permit it to operate for longer periods of time in the Indian Ocean. Cuba pro-

vides an excellent base for intelligence, naval and air operations in the Caribbean.

These comments apply with particular force to peace-time. How the Soviet arrangements would operate in wartime is another question. At the very least, the United States and its allies would have to divert resources to assure that the host countries remained neutral.

The United States and the Soviet Union follow somewhat different strategies when looking for bases abroad. The Pentagon is preoccupied with preparations for conflicts, both local and global. The Kremlin is not unmindful of the role that foreign bases could play during a war, but it also makes use of them in peacetime to make trouble.

In looking for bases and facilities, both major powers must keep in mind ranges for their aircraft and sailing time for their ships.

The United States can refuel its aircraft in the air, but this is a complicated and costly operation. The air force prefers a network of bases which it can use for refueling and repairs. In the Pacific it relies primarily on Hawaii, Japan and the Philippines. For the Indian Ocean it uses airfields near Darwin in northern Australia, Diego Garcia and in Oman. For the Atlantic there are airfields in Iceland, the Azores and Ascension, as well as in Morocco.

While the American navy also looks to foreign bases and facilities for fuel and supplies, it takes a long time to move material by sea. As a result, the Pentagon has during the past two decades pre-positioned a great deal of material abroad. There are, for example, large amounts of ammunition, equipment and fuel on Diego Garcia.

In deciding on the location of foreign bases

and facilities, the United States and the Soviet Union have to take the desires of the host country into account. The United States finds it easiest if the host country feels threatened and wishes to keep its defense budget down. West Germany, South Korea and Japan are the best known examples. Other countries, such as Oman and Turkey, also fall into this category.

Being poor and surrounded by potential enemies helps explain the willingness of Ethiopia and South Yemen to cooperate with Moscow.

Both the Soviet Union and the United States operate gigantic military assistance programs, partly to obtain base rights. The Pentagon estimated last year that Soviet sales of military equipment to the Third World in this decade were almost \$55 billion. During this period, Soviet military assistance to Caribbean and African countries has run consistently higher than United States deliveries, usually dramatically higher.

The United States has given priority to NATO Europe, Israel and Egypt. When these countries have taken their share, only a little more than a quarter of the pie is left for the rest of the world. Since Congress reduced the 1987 foreign aid budget, the Reagan administration finds it impossible to keep all its promises regarding compensation for foreign bases. It is therefore asking Congress for a supplemental appropriation.

Since there is little prospect that the struggle between America and the Soviet Union will end, the contest over bases will continue. In recent years, both have devoted particular effort to improving their ability to conduct a conflict in the Gulf region. It must be hoped that neither will have occasion to carry out its contingency plans. But what if one of the regimes in the region finds itself in enough trouble to call for help?

International Herald Tribune.

The Time Has Now Come to Reject the System Itself

By Michael G. S. ...

ARE Mikhail Gorbachev's new policies the historical turning point we have been praying for, signaling the end of oppression and misery in the Soviet Union? Or are we witnessing only a short-lived "thaw," a tactical retreat before the next offensive, as Lenin put it in 1921?

True, a number of the most prominent human rights activists have now been released from prison labor camps and from exile. As welcome as this gesture is, however, we cannot fail to notice that such selective mercy is of the kind calculated to make a maximum public impression with a minimum of genuine concessions.

If the Soviet Union is really undergoing a change of heart, why has it not declared a general amnesty for all prisoners of conscience instead of resolving certain highly visible cases one by one over the course of a year?

We have not heard any clear condemnation of the criminal use of psychiatry, the most notorious of the Soviet methods of repression. Nor have we seen any progress with respect to emigration. Moscow has recognized the need for radical economic reform, and this is welcome, but to date no serious sign of economic reform is in evidence.

The Soviet Union's announced desire to end the war in Afghanistan could be even more welcome. But if the Kremlin really means to end the war, why does it not simply withdraw its troops? If the purpose of the delay is to leave behind a stable government, why not allow free and fair elections under strict international supervision? Since neither of these solutions seems to satisfy the Kremlin, we are forced to conclude that all it really wants is the appearance of leaving Afghanistan.

Perhaps the greatest puzzlement of all is that created by the new policy of glasnost, or openness. It must be bewildering for many people to be reading in Pravda the very criticisms of Soviet reality that only a few years ago would have been branded as "anti-Soviet slander" and rewarded accordingly. This new policy, too, is to some extent merely making a virtue of necessity. It is senseless for the Soviet regime to maintain a huge and costly internal propaganda machine whose products are believed by few.

Real glasnost would involve genuine public debate. It would be a public guarantee against the abuse of power. What we are seeing is only the

This comment was prepared by seven dissident Soviet émigrés living in the West: Vasily Aksyonov, Vladimir Bukovsky, Edward Kennesov, Vad Lyubimov, Vladimir Maximov, Ernst Neizvestny and Alexander Zinoviev.

same old party monopoly on the truth, with the order being that for the moment truth must be critical of the regime itself. Such an order could be countermanded tomorrow.

Consider the posthumous "rehabilitation" of a few prominent writers such as Boris Pasternak, Nikolai Gumiyev and Vladimir Nabokov. The privilege of rehabilitation seems to be conferred exclusively on the deceased, who are guaranteed not to say or do

school and prevent any further militarization of society. Most of all, it must tell the truth about the crimes committed by the Soviet regime.

National reconciliation cannot be achieved by releasing a couple of hundred prisoners from jails, where they should not have been in the first place. The Soviet Union is a gravely sick country, whose leaders have had to break with a 70-year tradition of silence merely to gain a little trust from the population and the world outside.

It is they who must learn to trust, giving the people the right to administer justice in proper courts and learning to have enough respect for public opinion not to engage in their customary disinformation and manipulation.

Even a fool can see that if 70 years of doctrine have brought to ruin one of the richest countries on Earth, the doctrine must be faulty. Mr. Gorbachev admits that no one in all those years succeeded in putting the country right. Perhaps, then, the time has come to reject the system itself. Was it not Lenin who said that only practice can ultimately judge theory?

As for the West, it is not an embarrassment for people to be in such a hurry to applaud Moscow for promising conditions that they themselves would not tolerate for one moment?

The New York Times.

Meaningful change would require Soviet leaders to reject the fallacies of Marxist-Leninist dogma.

anything unexpected. Moreover, a long line of less fortunate dead writers are still waiting their turn.

The same holds true for the current interest in the corpses of certain artists, such as the opera singer Feodor Chaliapin and the film director Andrei Tarkovsky, who died expatriates and whom, against their last wishes, the authorities are desperately trying to repatriate postmortem. This macabre attempt at body-snatching can hardly be called cultural freedom — nor can the invitations to a few prominent emigrants to return "home" to many prodigious sons, the past "forgotten." Were Soviet audiences allowed to choose, emigrant artists and writers would require no back-door negotiations with the authorities.

Finally, suppose Mr. Gorbachev's most daring suggestion to date, freer elections within the Communist Party, were to be implemented. Such a great leap forward would merely grant the Soviet people what the blacks currently enjoy in South Africa: 7 percent of the population would hold "free" elections for themselves.

Without altering the regime's nature, the Soviet leaders could afford an even greater temporary retreat than that which is giving rise to so many undue hopes today. They could reduce the excesses of the criminal-justice system, permit far greater emi-

1912: Distress in Britain 1937: Hair for the Reich

LONDON — While the last hope of a peaceful settlement of the great coal strike apparently hangs on the coexistence between the men and the owners [on March 23], distress is daily tightening its grip on the poorest classes throughout the country. Two million people are now suffering exceedingly under the strain of no wages and dear fuel. Meanwhile, the strike has lasted 23 days. The Government, while opposing the principle of a minimum wage, is fully determined not to set the precedent of fixing any wage figures in its bill. Huge sums of money are being spent by the miners' and other unions on maintaining the strikers and unemployed. From all parts of Great Britain come increasing tales of misery and want. Family men suffer the double pain of want and of seeing their wives and children go hungry.

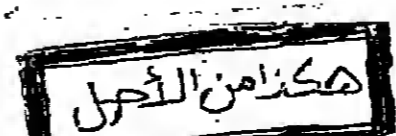
BERLIN — The hair of some 40 million Germans, cut and clipped in some 100,000 barber shops and hair-dressing parlors of the Reich, is to be used to help to build Germany as nearly as possible self-sufficient economically. General Hermann Goering, as commissioner for the four year plan, has given orders for the collection of human hair throughout the Reich. Hair thus assembled is to be used as a substitute for raw materials which otherwise would have to be imported, for example in the manufacture of felt. Since hair which drops to the floor of barber shops is dropped proprietors will not be compensated for that which they give up to collectors. It is assumed that, of the German population of 65 million, some 25 million people, largely older women and small children, do not frequent hairdressing parlors.

CURRENCY Dollar 1

Seoul Report Growth of

Memorandum

1987



OPINION

Locked Up Like Someone's Dirty Secrets

By A.M. Rosenthal

NEW YORK — There are news stories that simply will not go away. The press can forget about them, but bureaucrats can't try to hide them, governments can't try to wipe them from national memories. Every now and then somebody insists they be remembered. Suddenly they are alive again, demanding attention again.

This is about the case of the United Nations' vast secret archive of Nazi war criminals. UN officials have kept the files hidden from historians, journalists

ON MY MIND

and other interested members of the public for nearly 40 years.

And the countries that could demand that they be opened keep refusing — including the United States. It is a story that shows a deep reluctance in both Western and Communist countries to take a real look at the whole war crime era. "Pandora's box," UN diplomats call the archives; a revealing cliché.

The story begins in 1948 when the War Crimes Commission, going out of business, handed over about 38,000 files to the three-year-old United Nations. The commission, 17 nations, did not expect them to be put away and locked up. About 25,000 names were on a special list of people about whom the commission felt there was sufficient evidence to warrant prosecution.

The commission itself had decided in 1946 to remove the list from the "secret" category. Quite logical: How could war criminals be prosecuted when the names and charges were secret? The commission also said the archives were a valuable record for historians. Historians do not write secret books.

But about a year after they were entrusted to the United Nations, its officials decided that it would be best to lock them away and open them only to governments who discovered the names, and on a confidential basis.

No nation was interested until 1986 when the World Jewish Congress disclosed that the commission had concluded in 1948 that there was sufficient evidence to prosecute Kurt Waldheim in connection with the murder of Yugoslav partisans in World War II. Mr. Waldheim, reluctantly stepping out after 10 years as UN secretary-general, was running for president of Austria when the disclosure came. He won.

Then about nine months ago the pesky Israelis demanded and got confidential access to 300 files. They also asked Secretary-General Javier Pérez de Cuellar to open the files so that historians, scholars and journalists could examine them. Veteran UN specialists agree with Israel that it is glancing within the power of the secretary-general to open archives that the UN staff itself had closed.

But the secretary-general said he had to ask former member states of the long-dead War Crimes Commission — the Western allies and East European governments that had offices in London during the war. "Studying the matter,"

demands the attention not simply of prosecutors but of scholars and historians. It includes important material about who knew what in the West during the Holocaust, Gestapo actions in Poland, what German courts did in occupied lands, new details on Nazi medical experiments. It is not "secrets" that are locked up at the United Nations but a breathtaking, invaluable record of organized murder, which belongs to history, not to the United Nations.

One commission member said open the files. Thus Australia banished her name. The Soviet Union, not a member, was not asked but could have influenced the East European states. These are the countries that said no to opening the archives: Belgium, Britain, Canada, China, Czechoslovakia, France, Greece, India, Luxembourg, the Netherlands, New Zealand, Norway, Poland, the United States. Strange alliance.

The New York Times



Some Guys Actually Loafed On the Porch in Old Clothes

By William E. Geist

NEW YORK — The question before us is this: Do men dress to attract women? The answer, of course, is: Yes, but it doesn't seem to be working.

Men spend billions of dollars on clothes each year, trying to dress for success on the job and for success with women, yet we sense that somehow it is just the clothing industry that is enjoying the success.

MEANWHILE

For one thing, we aren't really sure what women want. We buy men's fashion magazines that tell us we can attract women by wearing Don Johnson outfits, but these "Miami Vice" dudes don't seem to work any better than the leisure suits the magazines once had us buying — let alone the Nehru jackets.

We are told in advertisements that after-shave lotion will give us "instant sex appeal," but it seems the more we put on, the further away the women go. "Why else," I was forced to ask myself about an elevator, "would she push the Emergency Stop button on 2 and walk up to 19?"

The alternative to dressing to attract women is undressing to attract them, a fashion strategy that seems less wise with each passing meal. Have you been to the beach lately? It takes a strong constitution.

Despite the fitness craze, the population is aging and seems to be expanding. Jaymar-Ruby Inc., a men's clothing company, is selling an awful lot of Sausbelle slacks these days, an awful lot.

The fashion magazines help, but when we see a nice casual "stay at home" outfit, too often the caption reads: sport coat, \$980; sweater, \$665; trousers, \$300; shirt, \$125; Italian loafers, a wardrobe figure. It's enough to make a man long to be back in the army, where a higher authority decided what you should wear and issued it to you.

A certain kind of woman has always gone for a man in uniform, even in the 1960s. I noticed this in Bangkok.

A lot of men don't like shopping for clothes and trying things on. And it's embarrassing when we see something we like in a newspaper and rush to the store to buy it, only to realize we can't pronounce the name: "Could you direct me to the uh... ('Comme des Garçons' is what we want)... nearest exit?"

Fashion used to be easy. You'd just go to your closet and ask yourself, "What would Elvis Presley wear?"

But we've moved on now, most of us settling for bland respectability: pinstriped suits, wing-tip shoes, polo shirts — you know, if such clothing attracts women, it is undoubtedly the wrong kind of women, the kind who probably wear the same clothes you do: pinstriped suits, polo shirts, wing-tips.

Moreover, a lot of this neuter-wear is

purCHASED for men by women, and certainly not to make the men more attractive to other women. "No, really, darling, you look just... fine."

This move to a conservative fashion mode — in politics, style of dress, etc. — would seem to be a reaction to recent traumatic events in American history. I speak not of Vietnam or Watergate, of course, but of the leisure suit.

We were told, if only by our mothers, that we looked "nice" in our leisure suits, a fashion trend that came into being so we would have something to wear during a new chronological period called "leisure time." Before leisure time, humans were just sort of "off work." It was crazy.

People didn't know what to do — no one had told them — and instead of participating in "sanctioned leisure time activities," such as hang gliding and wind surfing, they completely wasted their "time off" by playing cards, boring around with the kids, washing the car or even just sitting on the porch — and without the benefit of leisure wear. Some people just wore their old clothes. It wasn't pretty.

We took it on good faith that we looked sharp in our leisure suits: topstitched, double-knit polyester, perhaps in a robin's-egg blue or banana, although orange was a favorite among state legislators. We thought women would swoon at our heavy gold chains and splashy shirts, open to the mesosternum, with plane-wing-size collars. We assumed that what would drive women wild would be wearing a leisure suit with a white-belt-and-white-shoes set, a look that came to be known as the Full Cleveland.

We were shocked and dismayed to learn that in the final analysis our leisure suits had actually been repugnant to women all along — although a few occasionally seemed to dig them, shooting furtive glances at us in line at the Potomac Steak House.

Then one day it was — slam, bam! — all over. No more leisure suits.

We were at a loss for what to attract women until Don Johnson and his sidekick, Michael Thomas Philip, or some combination thereof, came on the scene. They wore a day's growth, dyed T-shirts with sport coats, and no socks with their shoes. The women were all over them.

Men in the industrial Northeast had trouble with that look. For one thing, it's cold up here. For another, life is more formal in New York than it is in Miami, and the no-socks thing just didn't look right with wing-tips.

I recently wore my Full Cleveland leisure suit outfit to a costume party, and thought I was pretty clever. Two things happened. No one laughed, which was a switch from when I wore it seriously in the 1970s. And women didn't talk to me, which was no switch at all.

The New York Times

LETTERS TO THE EDITOR

Israel: Living 'the Action and the Passion of His Times'

Regarding the two-part series "The Real Promised Land Is America" (Meanwhile, March 10 and 11) by Jacob Neusner:

Jacob Neusner and I were classmates at Harvard College. He is an extremely prolific professor of Jewish Studies at Brown University, in Rhode Island, the state to which Roger Williams fled from the oppression of Puritan tyranny. I, a physician, chose to leave the land of my birth, thus following the instruction that our fellow Harvard alumnus had made in Keene, New Hampshire, in October 1883. Oliver Wendell Holmes Jr. said then: "He who has not lived the action and the passion of his times cannot be said to have lived at all."

In his two articles, Rabbi Neusner wraps his imperial being in transparent cloth. It is sad to read his gushing praise of Jews in exile, and see his complete lack of understanding of the passion of his people. There exists in Israel a Jewish people who are coming together as a reborn entity. Slowly but definitely we are finding our way to a new Jewish way of life. Incerditude, clashes of interest and background and a relentless challenge by our neighbors to our right to exist as a national entity make life in Israel a fascination to all of Western society. The excitement, however, lies behind this. It is the new Jew, the Israeli, who is the real thing today.

Jacob Neusner misses this point. Too bad. American Jews are able to be all those wonderful things he describes in his articles. But they are doomed to assimilation into the broad, multi-faceted American culture. Judaism in the future is a kind of action and passion that we cannot predict sufficiently well yet. It will grow, but not in strangers' fields. Justice Holmes would have dissented from Rabbi Neusner's remarks,

I believe, and would have been enchanted by renascent Israel.

BARUCH J. HURWICH, M.D. Jerusalem.

Rabbi Neusner writes that it is better to be a Jew in America than in Israel. Why then have thousands of Jews stuck it out here for so many years? (My family has been here since the 1840s.) I don't care, Rabbi Neusner, if you "make aliyah" (emigrate to the Holy Land) or not, but please don't be spiteful. We are trying hard to survive here.

ALEXANDER NAKLIEN, Tel Aviv.

For Rabbi Neusner, apparently, God did not know what he was talking about when offered Jews the Promised Land.

MAX GENDEL, Tel Aviv.

Rabbi Neusner is wrong when he writes that "Orthodox rabbis just now have told women to stay away from burials of the dead because they are 'impure.' So much for the state of Orthodoxy in the state of Israel." Actually, it was a unique situation. The local rabbi complied with the written request of a centenarian, which was reinforced by her family, that the funeral practices of her Moroccan birthplace be followed.

Thus, men and women were separated. So much for the state of Rabbi Neusner's scholarship in the state of Rhode Island, U.S.A.

JOSEPH LERNER, Jerusalem.

Rabbi Neusner cannot claim to be any kind of light, to Jews or to Gentiles.

S. RAMON, Ramat Gan, Israel.

Nailing Down the Charges

Cheers for James Reston's opinion column "What Did the American People Know, and When?" (March 10). He found the head of the nail and slammed it again and again.

The trouble is that the Laxalts, Meeses, war contractors, Israeli lobby and other feeders at Uncle Sucker's trough of power and money know what Mr. Reston knows. Demonstrably they know how to appeal to us, the "well-meaning, optimistic, credulous, stubborn and a little bit dumb" Americans. Like so many sheep, we adored the actor-president who followed so well the subtle suggestions of the directors and producers of his show.

Then again, we all make mistakes. Certainly the powers behind the president wish that they had paid more attention to the White House basement.

BRYANT HARRELL, Bornova, Turkey.

I have been a great admirer of Mr. Reston's clarity of thought and simplicity of expression for more than 25 years. He makes it look so easy! I agree with what he says about President Reagan, but could never express it as clearly.

A. MAWAZ, Kuala Lumpur.

A.U.S. Double Standard

Regarding the editorial "South Korean Suspense" (March 11):

The double standard strikes again. U.S. Secretary of State George Shultz arrives in Seoul to preach to the South Koreans about democracy and the American Way. That would not be so bad if it were not for the fact that Mr. Shultz was fresh out of Communist China, where he praised Communist leaders for their recovery from their recent po-

GENERAL NEWS

Israeli Jews on Trial for Talks with PLO

By Thomas I. Friedman

NEW YORK Times Service JERUSALEM — For the first time in Israel's history, four Jews are being tried by their government for holding peace talks with members of the Palestine Liberation Organization.

The four were part of a delegation of Israelis that flew to Costinesti, Rumania, on Nov. 6, met for two hours with 15 middle-ranking representatives of the PLO, and then attended a banquet with them. The four said afterward they wanted to "make a dialogue for peace."

The Israelis are being prosecuted under an amendment to the Prevention of Terrorism Ordinance which outlaws "supporting" terrorist organizations. The government maintains a list of groups it considers terrorist organizations, and the PLO is at the top of the list.

As the delegation arrived at Ben Gurion Airport in November, the four were handed orders to report to police for questioning while demonstrators demanded their arrest. If convicted, they face up to three years in prison.

"This is a trial about smiling and having dinner," said one of the accused, Latif Dori. "The government wants to make it impossible for me to talk to my enemy. I did not choose my enemy."

—Latif Dori, a member of Mapam

case see the defendants as misguided dreamers who damage Israel by propagating a myth that the PLO is something other than an irreducible terrorist organization out to destroy Israel.

The meeting was tacitly sanctioned by the PLO's chairman, Yasser Arafat, but more extremist Palestinian elements tried to prevent it from taking place and threatened to kill those involved.

"The PLO is a terrorist organization and it is the enemy," said Guala Cohen, a member of parliament whose nationalist Tehiya Party led the fight to outlaw such contacts. "Contacts with the enemy undermine the ability of Israel to wage a war with its enemy."

The trial began March 9. The defendants are Mr. Dori, a leading

figure in the leftist Mapam Party; Ya'el Lotan, literary editor of the leftist newspaper Al Hamishmar; Reuven Kanner, an American-born educator; and Eliezer Felner, a member of a collective farm.

During the meeting in Rumania, both the Israeli and PLO delegates called for an end to violence and

to base his defense on the argument that the ban on "contact" in the new amendment was always meant to imply contact that supports terrorism, not contact for the purpose of persuading people not to engage in terrorism and instead to negotiate peace.

Supporters of the government's

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turbed that an increasing number of Israeli leftists were trying to talk to the PLO and that Israeli courts were not prosecuting them under the old law.

Mr. Dori organized the Rumania meeting in an attempt to challenge the amendment, which was adopted by Parliament on Aug. 6, and to help advance what he saw as growing moderation within the PLO. He and the three other defendants were deemed by the Israeli police to be the ringleaders and were chosen from the group of 22 delegates to stand trial.

Among the charges in the indictment filed in the Ramle Magistrate Court by the police prosecutor, Raanan Ben-Yosef, were that "the accused knew that the meeting's participants from the Palestinian side were representatives of terrorist organizations; that the accused made speeches on political subjects on this occasion; and that at 7:30 P.M., after the speeches ended, 'the accused met with representatives of terrorist organizations for a joint festive dinner.'"

When the trial opened, the formal charges were read and the four pleaded not guilty.

Outside the courthouse, supporters of the antiwar campaigners, shouting "Negotiations with the PLO today!" clashed with members of Rabbi Meir Kahane's Kach Party, who chanted, "A rope for the traitors!"

After the opening statements, the judge recessed the trial until June 14 to allow each side to prepare.

Meanwhile, Howard H. Baker Jr., in his first television interview since being named White House chief of staff last month, said that there was "a good possibility" that President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, would hold a summit meeting later this year.

Citing progress toward an agreement on intermediate-range missiles in Europe, Mr. Baker said, "I would not be surprised if General Secretary Gorbachev came to the United States this year, but I have no assurance of that and no concrete indication of that."

Mr. Dorenberger's remarks about U.S. spying came at a delicate time in U.S.-Israeli relations because of the spy scandal involving Jonathan Jay Pollard, an American and a former civilian analyst for the U.S. Navy. Mr. Pollard was recruited by Israel in 1984 to spy on the United States. He was sentenced this month to life imprisonment for espionage.

Mr. Dorenberger repeated that

the Reagan administration remained dissatisfied with Israel's response to the Pollard case, which he said had caused "very serious damage" to U.S. interests. Israel has maintained that Mr. Pollard was recruited in an unauthorized operation.

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U.S. Did Not Use Israeli as Spy, Weinberger Says

By Edward Walsh

Washington Post Service

WASHINGTON — Defense Secretary Caspar W. Weinberger has denied that the United States used an Israeli military officer to spy on Israel. He said that it was "very damaging and very wrong" for Senator David F. Durenberger, Republican of Minnesota, to suggest that such a spy operation took place.

In an interview Sunday on U.S.

FUNERAL SERVICE

A service for CHARLES GREY who died accidentally in Palm Beach, Florida, on March 6th will be held at The American Cathedral, 23 Ave. George-V, Paris, on Wednesday, March 25th, at 12:30 p.m. In lieu of flowers, those wishing to express their sympathy may contribute to the memorial fund of the American Cathedral.

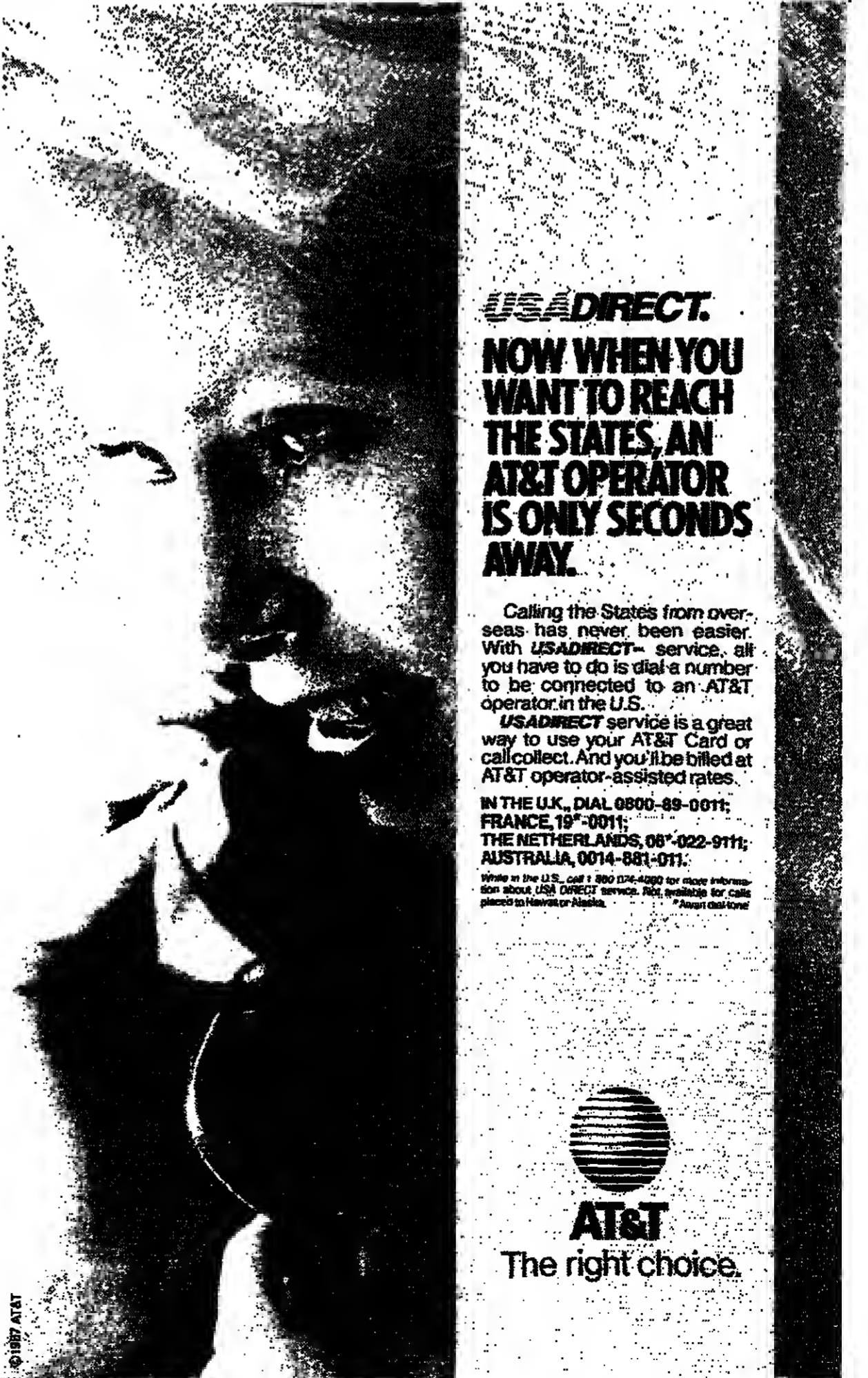
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The War That Won't Go Away

In El Salvador, Fight Grinds On With New Tactics, Goals

By William Branigin
Washington Post Service

EL PAISNAL, El Salvador — Standing stiffly on the bridge over the Rio Saco, Colonel Leopoldo Antonio Hernandez saluted smartly as a band played the national anthem. His pistol was holstered on his right hip. Behind his back, in his left hand, he clasped a pair of scissors.

Colonel Hernandez's contribution to the seven-year war against El Salvador's leftist guerrillas this particular morning was a ribbon-cutting ceremony reopening a dirt road recently cleared by the army.

About 10 miles (16 kilometers) to the southeast, meanwhile, on the forested slopes of the Guazapa Volcano, units of the Farabundo Marti National Liberation Front are trying to re-establish bases around the volcano. Salvadoran soldiers, backed by planes and helicopter gunships, are trying to clear them out in a campaign called Operation Phoenix.

The ribbon-cutting ceremony and Operation Phoenix represent two sides of a civil war that, more than seven years after it started, grinds on with no end in sight.

Diplomatic and military sources here agree that this is still the "real war" in Latin America. While the conflict in Nicaragua between rebels known as contras and the Sandinista government ostensibly involves more combatants now and has captured much greater U.S. at-

ention, it is in El Salvador that the stronger insurgency is found.

It is a war marked by continually evolving tactics. Both sides have broken their fighting forces down into smaller units. The guerrillas seem to be veering away from overall military victory and toward attacks on the national economy.

A resurgence of major guerrilla operations this year appears to have sent a defiant message: that the U.S. policy objective of turning the war into a "low-intensity conflict" cannot be assured.

The guerrillas have brought nationwide transportation to a halt three times this year with threats to attack any vehicles using the roads.

The military is devoting an increasing amount of effort to a U.S.-financed civic action program called United to Reconstruct. Its aim is twofold: to change the military's image as a force linked with brutal repression, and to attack some of the causes of the insurgency.

Both sides seem to be devoting more attention to political and propaganda work aimed at winning over civilians. One result, according to human rights investigators here, is some progress toward "humanizing" a conflict in which an estimated 62,000 have died since 1979.

Prisoner exchanges have been organized in recent weeks. The government has allowed wounded rebels to be evacuated for medical



In Beirut, a Frenchman Seeks to Save His Son
Marc Normandin, center, entered Moslem West Beirut on Monday to try to plead for his son, Jean-Louis, who was kidnapped March 8, 1986. The Revolutionary Justice Organization, a Shiite group, on Monday released a videotape of the French hostage and said that it had canceled plans to kill him, in response to pleas from religious leaders. Meanwhile, Tehran Radio said Monday that the group was also holding Terry Waite, the Anglican Church envoy who has been missing since Jan. 20.



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While there is no immediate prospect that the guerrillas will win the war, the outcome of a relentless weakening of the government and the economy through the guerrilla strategy of a war of attrition remains uncertain.

"The war the guerrillas are waging is the kind of war they can carry out for many years," said a European diplomat. "They're out in a hurry."

He added: "There's no way they can win militarily, but it's also difficult for the army to win militarily. It all adds up to the prospect of a much longer, drawn-out war."

Sierra Leone Military Thwarts Revolt

FREETOWN, Sierra Leone — Forces loyal to the military president, Major General Joseph Saidu Momoh, thwarted a coup effort in Sierra Leone on Monday, government sources said.

The revolt, which the sources said was apparently led by senior police officers, included an unsuccessful raid on a military arsenal in Freetown.

A senior policeman was arrested on suspicion of leading the revolt, police sources said. He was identified as Joseph Kai Kai, an assistant superintendent in the New England district of western Freetown. His brother was also detained.

Sierra Leone Military Thwarts Revolt

Police and army forces patrolled in central Freetown, and there was no sign of further trouble. The police sources said a search was continuing for other senior policemen suspected of having participated in the revolt.

General Momoh summoned top ranking police and army officers on Monday morning for discussions, government sources said.

General Momoh, a career soldier who had been commander of the army, became president in November 1985 in a peaceful transfer of power from the civilian president, Siaka Stevens.

Many Sierra Leoneans had hoped General Momoh would re-

The Burmese Way Led a 'Golden Land' to Poverty

Nation Finds Little to Celebrate, or to Buy, Under Ne Win's 25-Year Rule

By Barbara Crossette
New York Times Service

RANGOON, Burma — Twenty-five years ago, a general little known to the outside world pushed aside independent Burma's only elected prime minister and seized control of a young country still struggling to unify and grow.

of the country's problems stem from poor management and a shortage of technical expertise.

The country's political philosophy rests on two often vague and contradictory documents promulgated by U Ne Win after taking power: "The Burmese Way to Socialism" and "The System of Correlation of Man and His Environment." They are never discussed. Dissent of any kind is not allowed in Burma, although a few clever satirists manage to circulate widely read fables and allegories.

"Only one minister has a college education," one Rangoon resident said. "So none of them understands what is between the lines."

Survival has made schemers of everyone, a well-educated Rangoon woman said. "I no longer have time for friends," she said. "I'm always thinking of how to earn the next little bit of money."

This month, in a budget session of the Burmese Parliament, government officials said the country had been hard hit by a sharp drop in the prices of minerals and rice.

A deputy prime minister acknowledged that, at least economically, isolation was not possible. "Burma is no exception," he said. "It has to face such repercussions of international economic difficulties."

But questions from members of the legislature pointed to other, more fundamental structural problems: depleted land, crumbling roads, illegal levies by local officials who may be living on salaries as low as \$10 a month.

As prices rise rapidly, corruption pervades the military and civil service, Burmese say. A resident of Rangoon took a visitor to a spot at the edge of the city where military vehicles come to sell subsidized gasoline to civilian buyers.

Black-market oil prices have quadrupled here in a year, even as the price plummeted worldwide. Only one of the country's three oil refineries is reported to be working — at two-thirds capacity.

Foreign experts and many educated Burmese contend that many

ers who work here say the Ne Win government has not been without its successes. Ethnic rebellions and a Communist insurgency have been pushed back to the country's borders and are often referred to now as merely "irritations."

Basic medical care has been extended to most parts of the country, hampered only by a lack of equipment and medicine. Schools and agricultural cooperatives to assist farmers have been built in rural areas. No one starves.

Private rituals and private housing have not been tampered with by the Ne Win government. Religions — Buddhism, Christianity, Islam and spirit worship — flourish as they no longer can in Communist Indochina.

But many Burmese say U Ne Win, cut off from the people by walls of security and layers of self-serving bureaucrats, is perhaps not even aware of the shortcomings of the "Burmese Way."

"I still think he is probably a good man, maybe even a kind man," one of his critics, a Burmese intellectual, said. "But he no longer knows how we live."

Kampelman Recovering From Mild Heart Attack

WASHINGTON — Max M. Kampelman, the chief U.S. negotiator to the Geneva arms talks, is recovering here from a mild heart attack suffered last week, an aide said Monday.

KUWAIT: Gulf War Threatens the Comfortable Life

(Continued from Page 1)

"exposed to a fierce foreign conspiracy that threatened lives and almost destroyed the wealth of the homeland."

What is remarkable in the aftermath, diplomats, Kuwaitis and foreign residents say, is how little the Parliament and the outspoken newspapers are missed, even by the former members of Parliament.

"They went too far," is the common refrain, in challenging the conduct of the government and, at least by implication, that of the Sabah family, which has ruled since tribes came out of the Nejd Desert to found Kuwait in 1756.

"It was all a sort of a game, really," a Western diplomat said of Parliament. "But for the crown prince of an Arab country to have

Iran Is Embarrassed By Reported Rifts Over Arms Sales, Leadership

By Patrick E. Tyler
Washington Post Service

TEHRAN — Iran's revolutionary leadership has been embarrassed by reports that it purchased U.S. arms through Israel and by reports that its religious hierarchy is involved in a bitter struggle over who will succeed Ayatollah Ruhollah Khomeini, according to Iranian and Western sources.

The sources say that the revelations of Israeli involvement in arms shipments and discussions about opening a political dialogue with the West have astonished many officials in the Islamic-based Iranian power structure.

The regime has emerged much of its revolutionary fervor over the last eight years by rhetorically lashing the twin Satans, the United States and Israel.

Particularly damaged by the disclosures, according to the sources, has been the prestige of Iran's powerful and politically adept parliamentary speaker, Hashemi Rafsanjani.

Having unequalled influence over the day-to-day governing of Iran and its strategy in the war against Iraq, Mr. Rafsanjani must now contend with the political fallout from disclosures of clandestine contacts he supervised with Israeli officials and agents.

Although Ayatollah Khomeini initially came to Mr. Rafsanjani's defense by cutting off a parliamentary inquiry into the arms deals, the sources said, Mr. Rafsanjani's political stature continues to be stained by the episode. It may have compromised his credentials to play the kingmaker role he has seemed destined to play.

"You can deal with the great Satan because everybody still really likes America," said a Western diplomat, "but the key point is the question of dealing with the Islamic, and Mr. Rafsanjani fears his association with dealing with Israel."

Last week, public bus services were severely hampered by the fuel shortage.

Iranian officials up to Ayatollah Khomeini have attacked the Western media for focusing on the "national competition" between the most senior officials.

Last week, Ayatollah Khomeini, 86, told officials assembled at the city's Jamaran mosque not to believe foreign press reports that "there is a power struggle in Iran." The media, he said, assumed "that two factions are playing a tug-of-war for power."

He warned that "when and if we notice" such a power struggle, "we will be religiously obliged to stop it at whatever price," even if it meant "exposing or sacrificing one person or a group for the nation."

Bank Official In Italy Held in Embezzlement

ROME — A bank official in Italy was held in connection with an embezzlement case, police said Monday.

The official, a 52-year-old man, was arrested in Rome after being accused of embezzling millions of dollars from a bank.

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DUTCH: lackluster market

Japan's Industrial Evolution

IN THE NEWS

Jan. 21: Currency Talks In Face-off With Dollar

In an attempt to break the U.S. currency's slide against the yen, the finance minister of Japan, Kichii Miyazawa, and the Treasury secretary of the United States, James A. Baker 3d, meet for two hours in Washington. The officials reaffirmed their willingness to cooperate on exchange market issues but did not reach agreement to cut interest rates.

More on the YEN, Page 9

Jan. 23: Military Spending Allowed to Rise

Japan formally drops a policy that had put a cap on yearly increases in military spending. The 1976 law confined the annual military budget to less than 1 percent of the gross national product. The 1987 military budget rose to 1.004 percent of the GNP, or \$23 billion.

More on DEFENSE, Page 12

March 1: Proposed Tax Generates Protests

A proposed 5-percent sales tax spurs protests by opposition politicians, retailers and consumers, even members of the ruling Liberal Democratic Party. The tax would be Japan's first across-the-board indirect tax, and the first step toward reform of the domestic tax system.

More on the ECONOMY, Page 8

March 3: Nakasone Urges Creation of Jobs

Prime Minister Yasuhiro Nakasone calls for urgent measures to create new jobs after his government announced that unemployment hit a record 3 percent in January. Government officials attributed the joblessness of 1.82 million Japanese rise to declining exports.

JOBS, Page 11

'Anthopper' Is Breaking The Mold

By Takashi Oka

TOKYO — Japanese society is moving from the age of the ant to that of a new beastie, the anthopper. The change is bringing about a revolution in consumer habits and spending patterns. People still save: Government statistics show that savings averaged \$46,000 per household in 1983, 2.62 times as much as 10 years before. But they also borrow, to the tune of \$17,000 per household, or 3.47 times the amount of 10 years earlier.

They still buy things, but more and more they look for purchases that will express their individuality, rather than following the crowd. In work and play, they still tend to operate in groups but, as with their buying, they are beginning to assert individual tastes and desires.

The anthopper, as you may guess, is a creature that combines the characteristics of Aesop's ant and his grasshopper. Westerners coming to Japan for the first time may feel that the ant mentality dominates. But to those living within Japanese society, the evolution is noticeable and somewhat alarming. After all, the anthopper is a hybrid, a transitional figure. Is he preparing the way for the triumph of the grasshopper?

No one can be certain. Dentsu, Japan's giant advertising and marketing company, popularized the term anthopper. Kimiharu Matsuda, a manager in Dentsu's marketing division, defines the creature as a middle manager in his late 30s who knows how to behave like an ant but is no longer satisfied just to be one.

Tadashi Ono, for instance, works for a company striving to catch and ride the new wave. Acura, a Ford partner, Mazda. Mr. Ono, 40, heads a team that is trying to customize interiors for clients with specific wants. How about a car with waterproof seat covers for surfers or scuba divers? Such a car would also feature a special saffron undercoat, which Mr. Ono is hoping to obtain from a U.S. manufacturer.

Mr. Ono is short and smiles easily. He loves his work, spending 10 to 11 hours a day in his office high in a Tokyo skyscraper. To that extent he remains a typical ant. But he does not carouse after hours with colleagues and customers, as those of an earlier generation would do. He repays \$330 a month on an apartment that he bought four years ago for \$112,500 and that is now worth more than twice as much. The rooms are tiny, but his daughter and son have their own bedrooms.

Mr. Ono comes home each day too late to share dinner

Continued on page 10

The Yen Shock

Beyond Exports Lies Need to Restructure

By John Burgess

TOKYO — After maintaining suspense for months, Nippon Steel Corp. went public in February with details of its plan to slim down drastically and thereby gain hope of survival under the stern rule of the new, strong yen. Over the next three years, the giant company said, it foresees cutting 19,000 employees from its rolls and going from the current 12 operating blast furnaces to eight.

The scale elsewhere might not be so dramatic, but export-oriented companies all over Japan are facing similar unpleasant decisions these days. The country is locked in a recession brought on by the strong yen, forcing a painful shakeout in many of the industries that created the postwar prosperity.

"It's shaping up as a very tumultuous year for the Japanese economy," said Johnsen Takahashi, senior staff economist for Mitsubishi Research Institute. It could turn out, in fact, to be the worst since 1974 and the first oil shock.

The Japanese, who by nature look to the long term, hope, however, that it will be a blessing in disguise, a push toward a restructuring that should have started years ago.

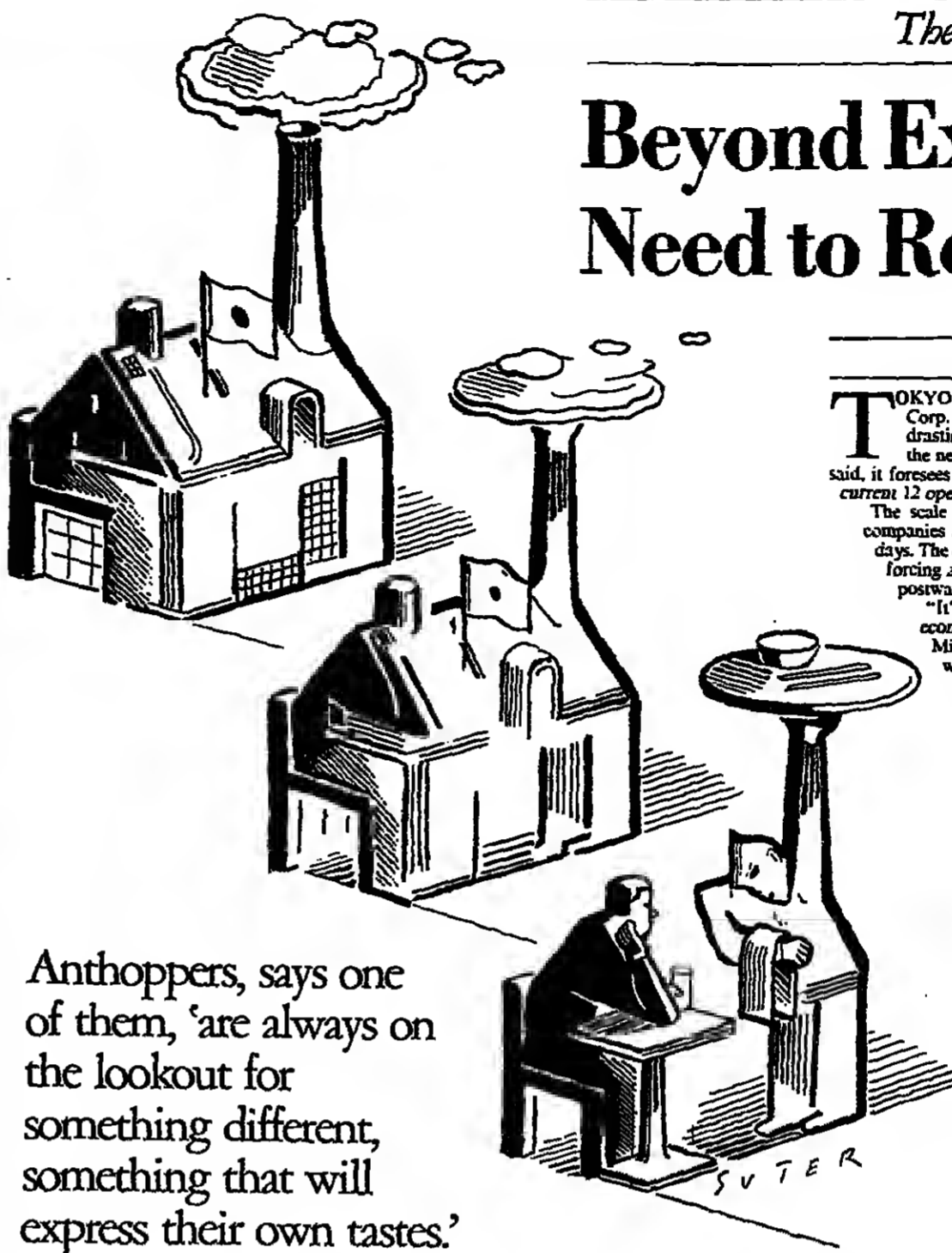
It is time for the \$2.2 trillion economy of Japan, bred on exports, to become "mature," politicians and bureaucrats here say constantly. It should move away from reliance on sales to foreigners for expansionary steam and toward the buying power of the 120 million Japanese.

Still, the hard times brought on by *endakka*, a hybrid word that means "high yen" and has entered the popular vocabulary with connotations of a grave sinister force, show just how far the country has to go in acquiring an economy based on domestic demand.

The recession dates to the September 1985 meeting at New York City's Plaza Hotel by finance officials from the so-called Group of Five, the United States, Japan, Britain, France and West Germany. They decided on a program of market intervention to drive down the value of the dollar. It was then worth about 240 yen, a relatively high value that was helping bolster Japan's mammoth trade surpluses by making its goods cheap to foreigners.

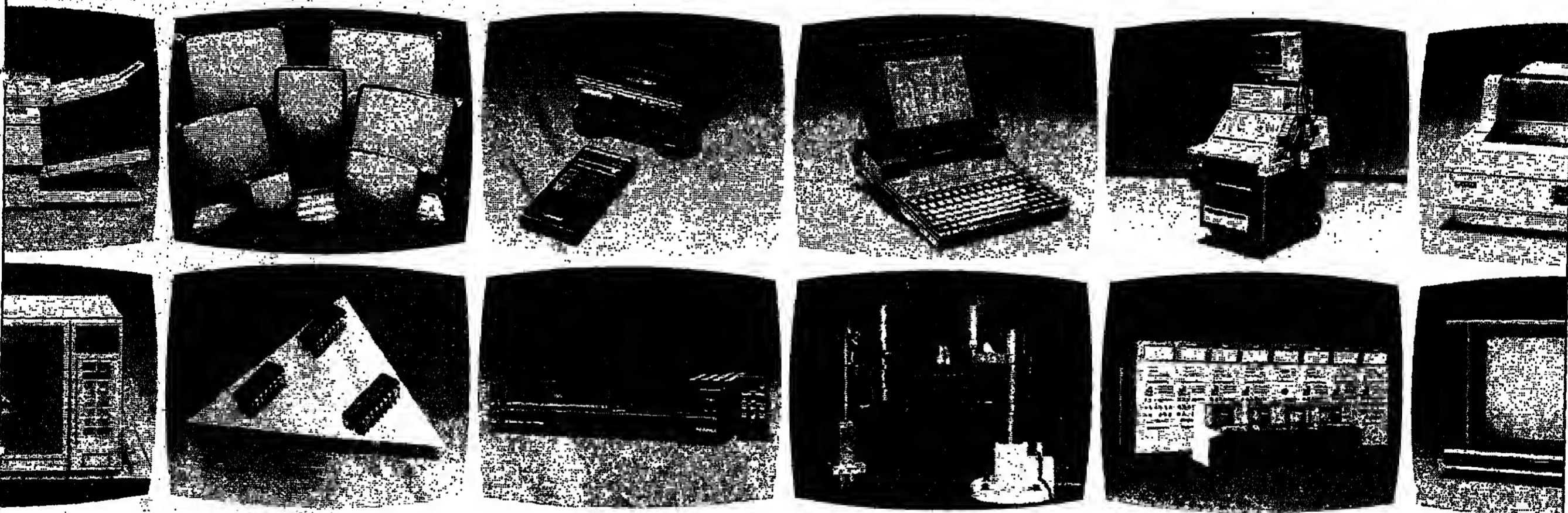
The Japanese went along reluctantly in the belief that damage from trade barriers that would be erected if they did nothing would be worse than anything a currency realignment might bring. But along with everyone else, they were surprised by how far the dollar fell. It now trades for a bit over 150 yen, with

Continued on page 10



Anthoppers, says one of them, 'are always on the lookout for something different, something that will express their own tastes.'

David Suter



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Trade War ■ Exchange Rates

U.S. Congress Set to 'Bash' Japan

By Clyde H. Farnsworth

WASHINGTON — Within the last two years three Asian leaders — Rajiv Gandhi of India, Lee Kuan Yew of Singapore and Corason C. Aquino of the Philippines — have addressed joint sessions of the U.S. Congress.

This spring around cherry blossom time, Prime Minister Yasuhiro Nakasone of Japan is expected in Washington, and Japanese officials are angling for him to get a similar invitation.

Some U.S. officials, however, worried that the increasingly prickly trade relations between the two countries could cause some personal embarrassment to the Japanese leader, are lobbying for a more restrained invitation.

A staunch internationalist, Mr. Nakasone, during his four-and-a-half-year reign in Tokyo, has developed close ties with President Ronald Reagan.

Yet, over the same period, Japan's trade surplus with the United States, reflecting at least in part Japan's reluctance to buy American, has more than quadrupled to nearly \$60 billion, and resentments against Japan have deepened.

Legislators gave Lee Kuan Yew a standing ovation during his October 1985 address after he told them of Japan's reluctance to import even from other Asian nations and urged members of Congress to "coerce Japan with all the power at America's command."

The members are following his advice. In the congressional hopper are a number of bills aimed at "bashing" Japan. One, for example, calls on the president to retaliate for Japan's failure to live up to a semiconductor trade agreement. A Senate trade bill labels Japan outright as an "adversary." The United States would have to curb imports from Japan and other surplus countries under a House bill expected to clear by Easter.

"This may be the year in which the string runs out on Capitol Hill," warned the U.S. trade representative, Clayton K. Yeutter. "The level of frustration with Japan is higher than I have ever seen it."

Although Mr. Reagan would probably veto legislation forcing trade retaliation against Japan, Mr. Yeutter warned in an interview that a veto could become "irrelevant" should such legislation clear overwhelmingly, as is now indicated.

But Japanese resistance to U.S. trade demands is also strengthening, mainly because the dramatic shift in the yen-dollar relationship has hurt export-oriented industries and brought a new phenomenon to Japan — rising unemployment.

So as Mr. Nakasone admires Washington's cherry blossoms, the two nations will be facing what many analysts



Nakasone and Reagan: Is this the Year of the Showdown?

believe is their most serious trade confrontation of the postwar period.

Japan has just reported that unemployment rose in January to 3 percent, the highest level since monthly reporting began in 1953.

Although it is less than half the U.S. unemployment rate, the Japanese figure, which means nearly two million are unemployed, has caused a deepening anxiety that is being reflected in less resilient Japanese positions at the trade bargaining table.

One big worry is that corporate expansion in the United States and elsewhere overseas is leading to a "hollowing out" of the industrial base in Japan. A recent government report predicts that domestic employment opportunities will shrink by 600,000 jobs by the year 2000.

The mounting frustrations on both sides have stiffened negotiating positions, making compromises less likely on a whole range of issues from semiconductors and supercomputers to the awarding of contracts for a mammoth \$8.5 billion airport construction project in Osaka Bay.

S. Bruce Smart Jr., undersecretary of commerce for international trade administration, who recently returned from negotiations on semiconductors and supercomputers in Tokyo, said he found the Japanese positions "clearly a lot tougher than ever before."

These are the most pressing of a number of specific trade conflicts: ● Semiconductors: Japan agreed last July to open its market to sales of American computer chips. The target was \$2 billion of additional exports in five years. The Japanese also agreed to help ensure that Japanese companies quit "dumping" chips in the United States and third-country markets at below fair value. "Clearly, we are very disturbed that Japan has not fulfilled its obligations under that agreement," said Mr. Yeutter. [In Tokyo, Trade Ministry officials on Monday announced a cut in production of semiconductors to avert U.S. sanctions.]

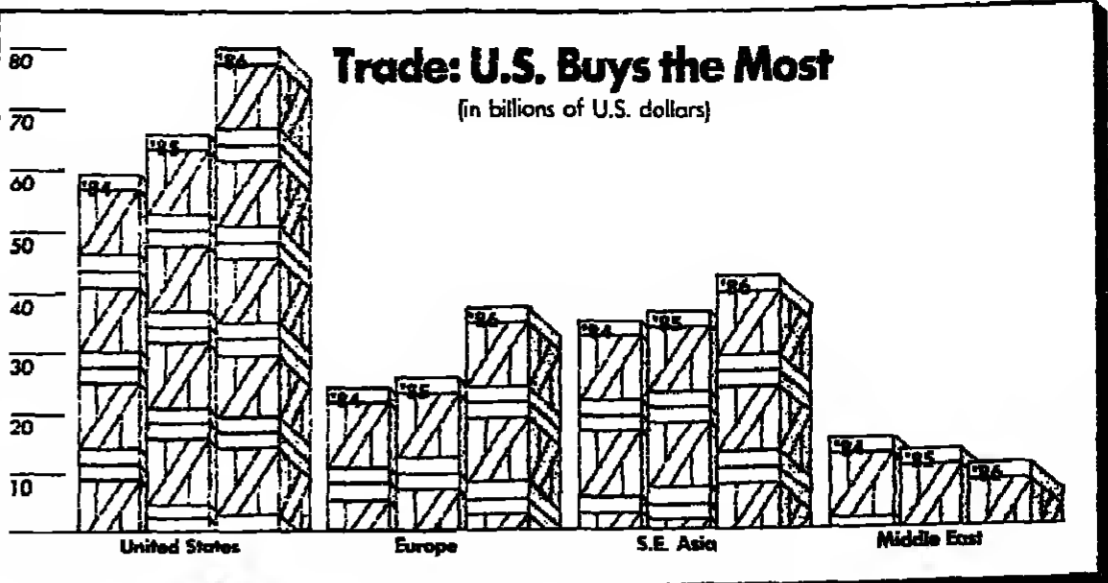
● Kansai Airport: The Japanese are

building an island in Osaka Bay for a huge airport to service the Osaka region. But U.S. and other foreign companies are effectively barred from any of the major construction work. The Associated General Contractors, the trade body for the U.S. construction industry, wants the U.S. government to file an unfair trade practices complaint under Section 301 of the Trade Act of 1974. A more draconian alternative is for the United States to bar Japanese companies from bidding on U.S. air-

port construction projects. Legislation to do this has been introduced by Senator Frank H. Murkowski, Republican of Alaska.

● Supercomputers: The Reagan administration has begun a formal investigation of Japanese barriers to the import of these huge and unusually fast computers, which cost up to \$20 million each. Despite an acknowledged technological lead over the Japanese, the United States has only 23 percent of the Japanese supercomputer market, compared with 86 percent in the rest of the world. The U.S. industry has not sold any supercomputers to the Japanese public sector. The investigation could lead to a formal trade complaint and retaliation.

● Auto parts: The annual deficit in U.S. auto-parts trade with Japan has risen to roughly \$7 billion a year. Since a 1980 agreement, the Japanese have bought only \$200 million of U.S. parts. The agreement had called for purchases of \$300 million in 1981 alone. Now the United States is again pressing the Japanese for greater access, this time within the framework of the so-called MOSS (Market-Oriented Sector Selective) talks. So far, the Japanese have agreed only to provide information, a breakdown of the broad categories of Japanese auto-parts purchases.



The tensions with Japan are rising despite the acknowledgment by many in the United States that the loss of U.S. competitiveness is at least as important an element in the trade imbalance as unfair trade practices in Japan or any other country.

The Japanese Embassy's economic counselor, Yoshiji Nogami, pointed to the "growing feeling in Japan that the trade problems between the two countries are rooted in the U.S. situation."

analysts still see a turn for the better in the trade situation and fear that excessive U.S. pressure will be counterproductive.

"I believe we are going to see a trade improvement in the coming months," said Robert Z. Lawrence, senior fellow at the Brookings Institution. "It is clear that the Japanese are beginning to be hammered in third-markets in terms of price competitiveness."

"Japan bashing will not help in this environment," said George R. Packard,

dean of the School of Advanced International Studies of Johns Hopkins University and director of the Edwin O. Reischauer Center for East Asian Studies. "It will cause more resentment, make it more difficult to get concessions and trouble the waters for Nakasone."

CLYDE H. FARNSWORTH is a New York Times correspondent based in Washington.

Yen's Rapid Appreciation Makes No One Happy

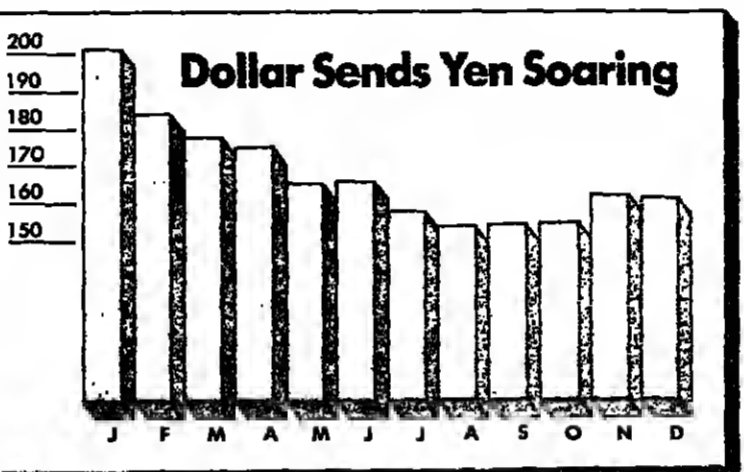
Special to the IHT

TOKYO — In a world of floating currencies, the policy maker drowns. If the financial and monetary authorities of the major industrialized nations have learned anything during two years of trying to solve economic imbalances by juggling with exchange rates, this must be it.

The rapid 40 percent fall of the dollar against the yen since the September 1985 New York agreement between the United States, Japan, West Germany, Britain and France to knock down the overvalued dollar has achieved almost nothing that was expected of it.

Figures sometimes lie, but not in this case. Japan's trade surplus with the world shows no signs of a rapid turnaround, despite the loss of price competitiveness in Japan's major market, the United States. Meanwhile, U.S. exporters seem unable to achieve a quick rise in overseas sales, despite the much more attractive prices of their goods in Japan because of the weak dollar.

In Japan, the structural distortions of the domestic market, coupled with and aggravated by the inability of the government to come up with a solid retaliatory package, have reinforced the harmful effects of the strong yen on the



economy. Japan is facing a mini-recession, which could turn serious.

The government is caught in a dilemma: It is committed to holding down spending so as to wipe out a dangerous national debt, yet locked into promises to its U.S. and European allies to reflate its economy.

On March 10, Japan announced a \$7.13 billion February trade surplus,

almost double the figure from a year earlier and compared with a \$4.30 billion surplus in January. The figures seemed to underline complaints by a U.S. trade delegation that Japan had still not done enough to boost its economy.

The apparently contradictory trends can be largely explained by currency movements and an increasing realiza-

tion by the authorities that they do not have as much power to influence markets and economies as they thought.

The very rapid rise of the yen against the dollar has meant that trade figures on a dollar basis have jumped, yet Japanese companies' profits on a yen basis have slumped.

The apparent success of the Group of Five after New York in devaluing the dollar by concerted intervention and by official policy statements blinded policy makers to the underlying currency movements. By the time of the New York meeting, the dollar was already on the way down, from a high of more than 260 yen at the beginning of 1985 through about 240 in September down to just over 150 now.

The Group of Five hit a market that wanted the dollar down. Now that most market operators are still dollar sellers but the authorities want stabilized rates, the governments are finding it much harder to keep currencies where they want them.

In January, the Bank of Japan just managed to stop the dollar falling below 150 yen, at the cost of buying almost \$9 billion in the open market. Last month, the chairman of the U.S. Council of Economic Advisers, Beryl W. Sprinkel, told Japan that central

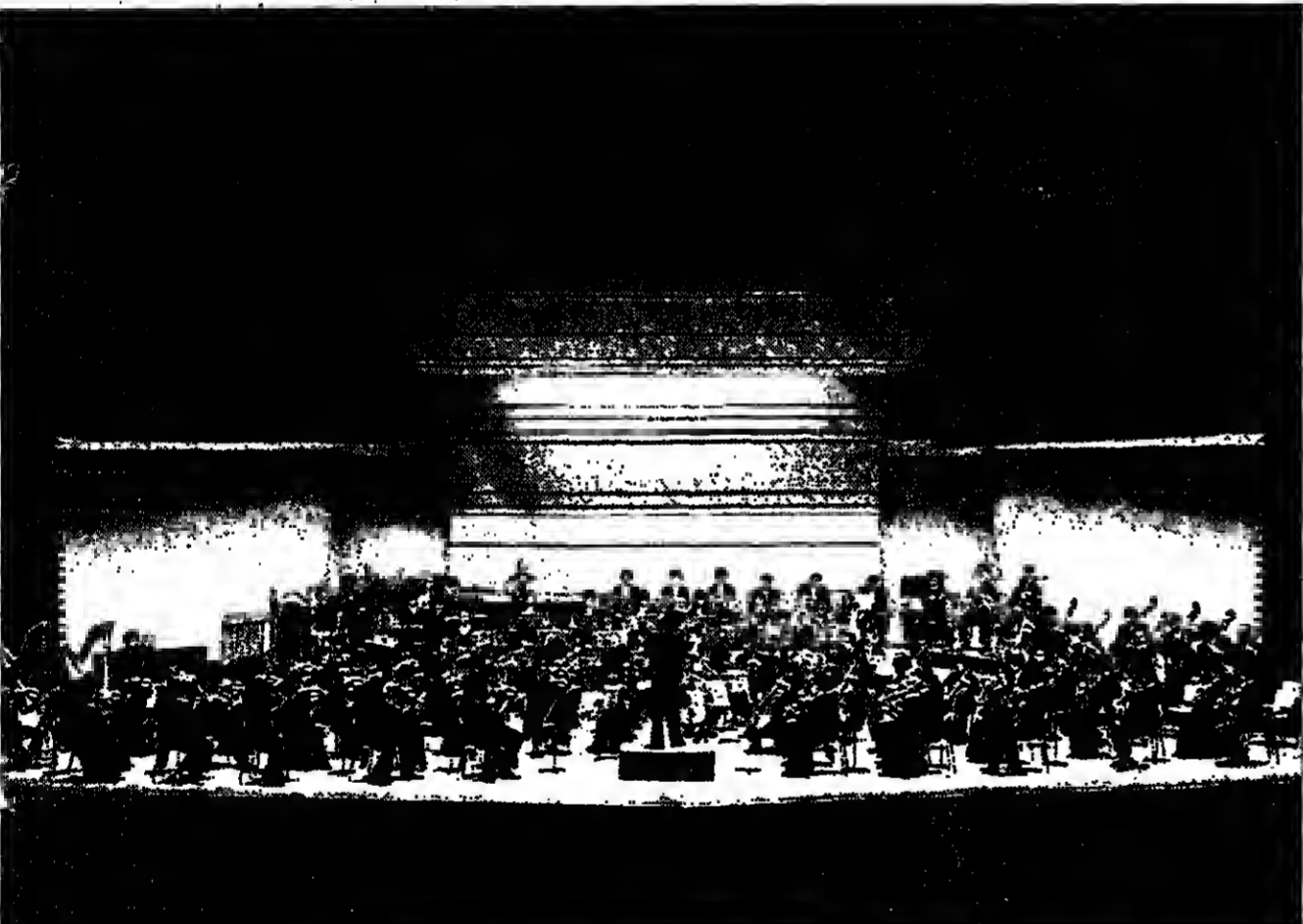
bank intervention was no longer effective in stabilizing the market, which had grown too big to handle.

Market dealers agree that any concerted economic policy package among the five nations would have a tremendous impact on stabilizing rates.

However, the rapid breakup of last October's U.S.-Japanese pact to stabilize the yen against the dollar in return for more Japanese domestic economic stimulation, and the subsequent weak results from the Group of Five meeting in Paris this year, make that prospect highly unlikely, senior dealers believe.

Such a move has also been undermined by a distortion in currency rates stemming from the yen's depreciation against European currencies. Compared with two years ago, the yen has hardly moved against the European Currency Unit, which stands at about 175 yen. It is now falling against individual European currencies, especially the Deutsche mark.

A good reason has been healthy European sales to Japan. However, Japan has had even better sales to the European Community as Japanese companies switch out of their now underpriced U.S. market. Brussels has started to complain.



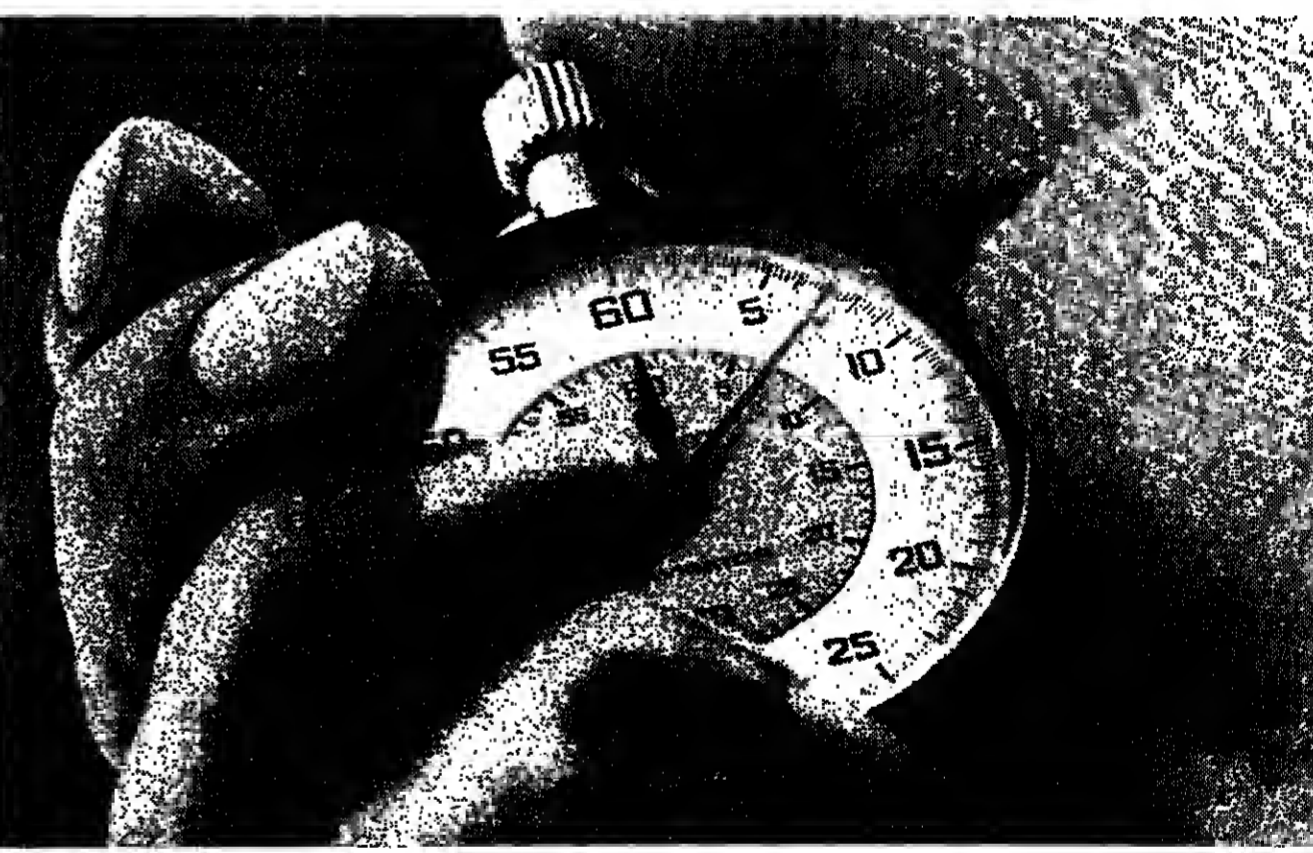
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Financial Deregulation

Bulging Investment Purses Want Government to Loosen the Strings

Special to the IHT TOKYO — Japanese investors face a curious paradox — they have more money to invest than ever, but they are scrambling to figure out where to invest it.

Ministry official, said that "although we are strong proponents of deregulation, protection of small investors or depositors... remains necessary."

insurance funds — are estimated to hit 215.6 trillion yen (\$1.45 trillion) by the end of this month, a 27 percent rise from a year earlier.

porters of such things as electronics and autos. Instead, many companies are investing in production overseas.

to cope with the devastating effects of the strong yen on export sales. Direct overseas investment was already blooming as a way to sidestep trade barriers, gain market share or cut labor costs.

States, which now absorbs more than 30 percent of the total. Japanese are also looking overseas for financial investment, also mostly in the United States.

Investment in foreign stock markets intensified in the second half of last year and surged forward in December — net purchases hit \$1.5 billion compared with about \$500 million in each of the preceding five months.

Japanese corporations and financial institutions have pressed for other ways to invest, especially at home, while foreigners, led by the United States, have demanded greater access to Japan's financial markets.

Investors say they want to spread their risk.

corporate profits would have been reinvested in domestic factories. But more recently, the economic slowdown in Japan has meant the closing of many heavy industrial plants and cutting back on domestic production by ex-

surged in tandem with the yen's rise since 1985. Every day brings new reports of companies increasing output in existing overseas facilities, planning to open new factories abroad or buying more parts overseas in an attempt

Such investment in the 1970s centered on developing Asian countries where labor was cheap. But by the late 1970s trade friction had intensified and direct investment spread to developed nations, especially the United

Investors say they want to spread their risk and take advantage of the best yields available worldwide, but until late last year they held off equities because of fluctuating currencies.

At home, the Japanese stock market has outperformed most other markets in recent years. For the past five years, it has risen at an average compounded annual rate of 23 percent and is now capitalized at an amount equal to the combined total of all other markets, excluding the United States.

Throw A Better Part-T

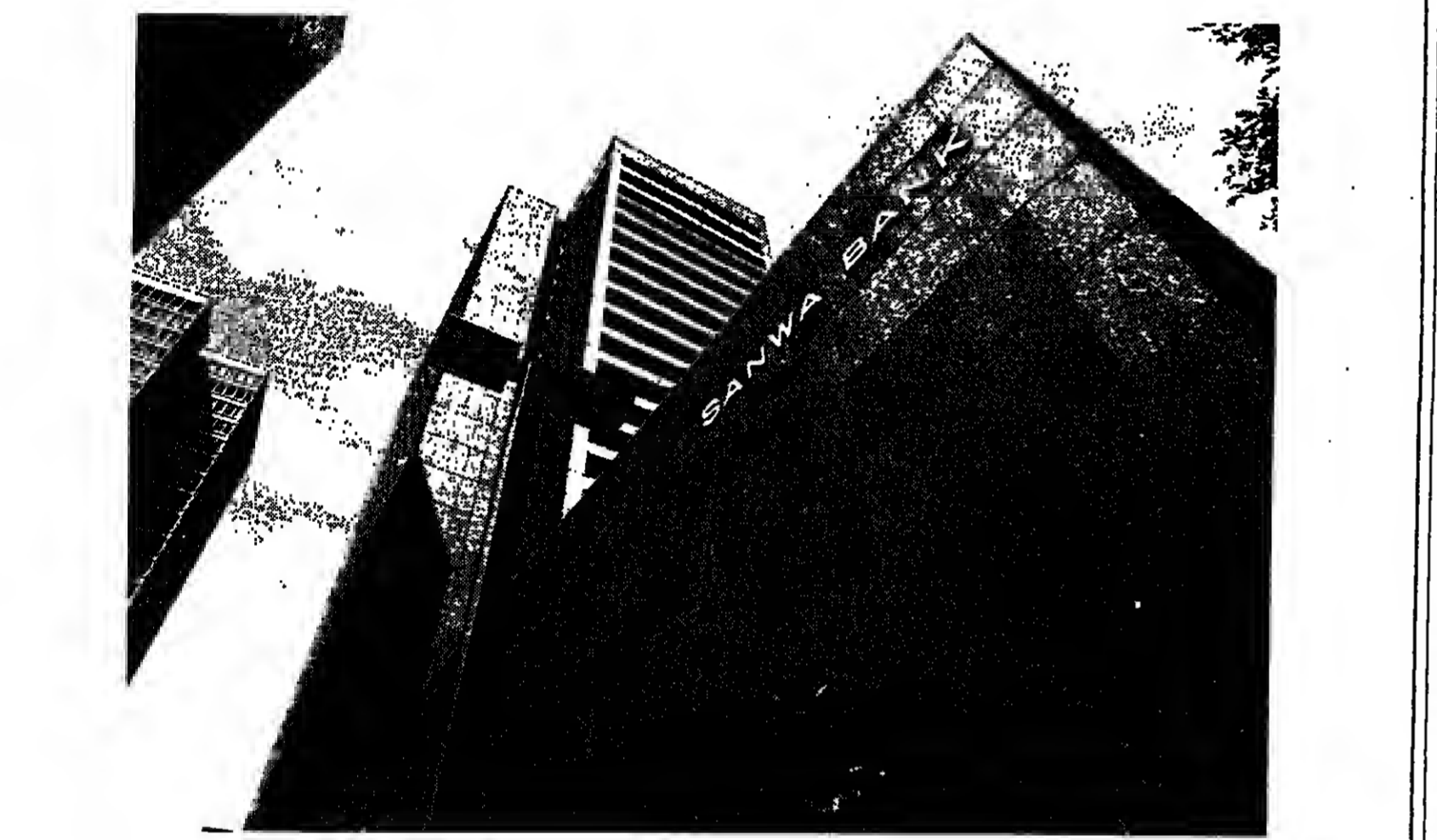
By Christine Chapman TOKYO — Masses of people were seen in the streets of Tokyo on Monday, the first day of the new year. The streets were filled with people who were celebrating the start of a new year.

Just Wh

By Andrew Horne TOKYO — Long through the night, the kind of employment that has been characterized as a "part-time" job is becoming more and more common in Japan.



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largest bank*, with total assets of over US\$160 billion and the highest credit rating in international finance. Backed also by subsidiaries and affiliates, Sanwa bankers are now more active than ever in providing the specialized financial and marketing assistance that overseas companies require in their dealings with Japan.

Sanwa Bank logo and text: Sanwa bankers are working for you everywhere. *1985 Institutional Investor survey

'Anthopper' Breaks Mold

Continued from page 7 with wife and children but in time for a chat and for a look at his fifth-grade son's homework. "My work is my rice bowl," he said. "But my family is what makes my life worth living."



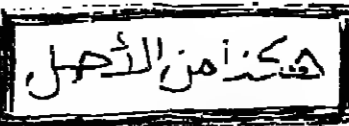
Dentist; the average Japanese couple can look forward to at least five trips abroad, and these trips often feature special interests such as fishing, cooking or art history rather than simple sightseeing.

Economic Restructuring

Continued from page 7 some analysts suggesting it has yet to reach bottom. In the space of less than a year, Japanese companies became about 50 percent less competitive vis-à-vis the outside world than they had been.

The Japanese feel that, as usual, the Western industrialized world does not understand the sacrifices they are making. Despite havoc in its industries, they oote, the U.S. Congress has moved closer than ever to passing a comprehensive trade bill.

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The Labor Market

'Throwaways' Seek A Better Deal for 'Part-Time' Work

By Christine Chapman

TOKYO — Masae Kimura, a 43-year-old housewife, works in a box-making factory six days a week, seven hours a day. She has Sundays and national holidays off, but that is the only vacation she gets unless she takes a few days off on her own expense. She gets no paid vacation, no health insurance, no bonuses, no retirement pay, and if she leaves work early, she forfeits the hourly wage of 550 yen (about \$3.60, or 40 cents above the minimum 488 yen).

Mrs. Kimura is one of 3.5 million part-time women workers who made up 22.7 percent of the work force in 1986. Although her 42-hour week is labeled "part-time," the maximum full-time schedule is 48 hours a week. According to the Ministry of Labor, many companies are reducing the 48-hour week, which is thought excessive for full-time employees.

Mrs. Kimura considers her situation an improvement over the days when there were few opportunities for part-time work. "Things are a little better now," she said in the office of the Edogawa Union, a Tokyo local confederation of labor leaders and small-company workers, full-time and part-time. "When I began working about 17 years ago as a clerk in a supermarket, my children were in kindergarten and not many mothers had a part-time job. Or they worked very few hours."

These days, with nursery and day care available, they are working longer hours. Companies prefer them as cheap labor. "Talking to the amiable, unflappable Mrs. Kimura, one would hardly guess that she is a heroine to her sister part-timers. An unassuming woman, she hurries home after her job ends at 5 o'clock to make supper for her husband, then gets on a city bus to go to union headquarters and work on local labor affairs."

In 1984, she was something of a firebrand, a fighter determined to retrieve wages that she had earned but that a bankrupt company refused to pay. That year, Masae Kimura was working in a box-lunch factory, preparing meals to be sold daily. The company went

bankrupt, the president disappeared and none of the 46 employees, all part-timers, received their wages for two months.

"Most of us were women, with only five men," Mrs. Kimura recalled. "Many of them gave up trying to get the money, but I couldn't give up 200,000 yen, about \$1,000 then. I called the government's branch labor office and they told me about the local union."

"I brought 30 people with me who were laid off at the box-lunch company. After 18 months we got the money back. It was an important incident at the beginning of this union, the Edogawa local."

The local had been formed less than six months earlier with 37 members to represent part-time workers. With the efforts of the union's leaders, most of the missing wages were paid to the 46 employees. Masae Kimura is now a vice-chairman of the local, which has 256 members.

With the number of part-time working women tripling since 1970, unions have begun to support them. Women, once called "throwaways" in the Japanese labor market, represent 70 percent of part-time workers. Women who work part-time have become essential in an economy where the 3 percent unemployment rate is a record high. They are being used in blue (or pink) collar jobs in small factories, restaurants and coffee shops, grocery stores and department stores and other service industries.

In Edogawa Ward, where Mrs. Kimura works and lives, there are more than 6,000 offices and factories. "They are small companies that can't afford full-time workers," said union chairman Masaki Kodama. "The average staff is ten people, often only two or three. Many workers and businesses need consciousness-raising about part-time employees."

The union and Mrs. Kimura would like to effect two important changes in government policy: One is to increase the maximum annual income allowed to a dependent spouse from 900,000 yen, about \$5,882, to 1.2 million yen, about \$7,843.

"I'm trying on purpose not to earn over 900,000 yen," said Mrs. Kimura. "When we

Women in the Work Force

Labor statistics show that nearly half the women in Japan hold jobs. However, only 25 percent of women aged 15 and older have regular, full-time employment, while 22 percent work part-time.



Typically, young women leave college and join the work force, remaining until marriage or childbirth. Fewer than half re-enter the labor market after childbirth. Most work in small enterprises or family businesses.



For women aged 50-54, the average length of service is 15 years in large firms, compared to 26 years for men. The importance attached to seniority in Japan's employment system puts women at an earnings disadvantage.



At age 65, about 50,000 women continue working at part-time jobs.

find my earnings getting up there, I take time off."

The other goal is to raise the hourly minimum to 600 yen, or \$3.92, up from the current 488 yen, or \$3.19.

In Tokyo, 488 yen an hour is the "minimum minimum," said Edogawa Union's Mr. Kodama. The hourly minimum differs in Japan's 47 prefectures, or states. There is no national standard.

A Ministry of Labor definition for a part-time employee is one who works 10 percent to 20 percent fewer hours than a full-time worker, said Junko Oshima of the Labor Ministry's Policy Planning Division, Women's Bureau. "In an office of 30 or more employees, a part-timer works less than 40 percent of the hours of full-time workers, but some companies are confused about part-time hours," she added.

Whatever the official percentages, there are many women like Masae Kimura who work full-time hours for part-time pay. They give the lie to traditional ideas that women work for "pocket money," that they are only putting in

time until they marry and that they accept the inequities without complaint.

Ministry of Labor statistics show that 85.9 percent are married, that their average age is 42 and 78.5 percent of them are 35 or older. They have two children. They choose part-time employment because of somewhat flexible hours and working conditions that allow them to manage housework and children. Since Mrs. Kimura works in her neighborhood, like many women, she is able to return home on the lunch hour to do the laundry.

The overriding reason for women to work at all is that they need the money. Nearly 56 percent work to supplement the family income, while another 13.5 percent provide the main income of the family. The remainder say they want to improve their standard of living, have money for hobbies and trips and spend their free time usefully.

Some of these part-time women workers have been leaders in separate efforts to improve their working conditions. For 20 years in Japanese courts they have protested unfair labor practices against part-time employees. In

1967, a woman working for a Tokyo cake-making company was fired after six months although she had been hired as a part-timer for a year. The court agreed that there was no reason to fire her, and the case set a precedent against such arbitrary dismissal.

With the coming of respectability to part-time employees, is it government policy to encourage hiring them?

Junko Oshima, of the Policy Planning Division, and Reiko Hamada, of the Women's Labor Division, in the Ministry of Labor, said that officials were neutral on the issue, that it depended on the job market.

Because of the changes the Japanese economy is undergoing as it moves from heavy industry to the service and retail-wholesale industries, where peak hours vary, the demand for female part-timers is increasing, the two officials said.

Since 1981, the Public Employment Security Bureau, an arm of the Ministry of Labor, has run job placement offices nationally. Called "part bank," Japanese-English for a part-time

workers' agency, they are located in large department stores and major train stations. The present 37 "part banks" help place part-timers in companies registered with them. Five new "part banks" are scheduled to be added.

In 1984 the Ministry of Labor published a Part-Time Workers Guideline reminding businesses that the Labor Standards Law applies to part-time employees, too. In November 1986, the ministry organized a 10-day campaign to alert the public to their problems.

A telephone hotline in Tokyo and 10 other areas has been set up by local unions for the use of troubled part-timers.

The harsh criticism of Yoko Sano, a labor economist at Keio University in Tokyo, may no longer be true. In 1985, she said: "In Europe and the United States, they use immigrant labor. In Japan, we use women."

CHRISTINE CHAPMAN is a journalist based in Tokyo who specializes in education and cultural affairs.

Just When Japanese Thought Joblessness Was a Thing of the Past...

By Andrew Horvat

TOKYO — Long thought to be immune from the kind of large-scale unemployment that has plagued other industrialized countries, Japan is about to experience its worst period of joblessness in more than 30 years.

Japanese companies are not simply eliminating jobs; they seem to be letting go of ideals long assumed to be the ingredients of Japan's postwar economic success story — lifetime employment and a strong link between seniority and wage increases.

There are many reasons for the layoffs in Japan but the most apparent is the sudden appreciation in the value of the yen. The dollar, which was worth 242 yen 18 months ago, is trading at just above 150 yen these days. This has meant that in order to earn the same in yen terms as in September 1985, Japanese exporters would have to raise their prices 61 percent.

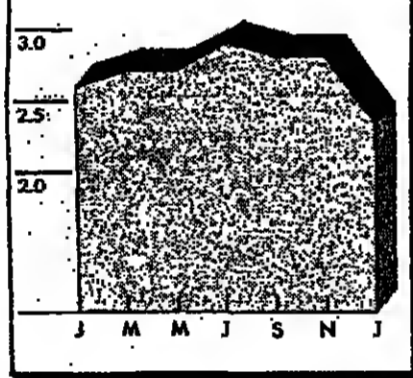
Although the prices of some Japanese products have increased overseas, most manufacturers have adopted drastic cost-cutting measures at home in order to stay competitive abroad. In many cases, this has meant the elimination of thousands of jobs, the closure of plants and the transfer of work to lower wage areas overseas.

The worst hit of Japan's industries have been steel and shipbuilding, which were already facing difficulties before the revaluation of the yen. Nippon Steel, the world's largest steelmaker, announced earlier this year a plan to shut five of twelve blast furnaces, eliminating 19,000 jobs in the next three years. Although a company spokesman insisted that only 4,000 workers would actually be let go, with others being transferred to related companies, the net result will be a reduction of jobs available for Japanese.

About 37 companies in fields ranging from shipbuilding to electronics have announced 45,000 layoffs. The coal industry will lay off 10,000 miners from a total work force of 24,000. Labor Ministry officials say 38 percent of manufacturing firms have already reduced their work forces as a result of recent changes stemming from the yen's rise.

Record Jobless Rate

(as a percentage of total workforce)



Source: OECD

Added to the thousands of jobs being phased out by declining industries are nearly a million new jobs that Japan's still competitive automobile and electronics companies intend to transfer overseas in the next 15 years.

Japanese business leaders say they have no choice but to move production abroad. "Since the sudden increase in the value of the yen our expenditure on wages is now six times what our competitors pay in the newly industrializing countries," said Takashi Kashiwagi, a director of Hitachi Ltd.

Labor Ministry officials estimate that the high yen has driven 50 percent of Japan's leading manufacturers to move part of their production overseas. Those that are not actually moving factories abroad are cutting down domestic production and increasing procurement of parts from abroad.

Strange as it may seem, however, Japanese unemployment is hardly perceptible to the outsider. According to official figures, joblessness stood at 3 percent in January, compared with 11.6 percent in Britain, 10.5 percent in France, 9 percent in West Germany and 6.9 percent in the United States.

The official figures, however, do not tell the whole story. To begin with, Japanese statistics are based on the assumption that anyone who works more than one hour a week is employed. Moreover, unlike in most countries, soldiers are included in the labor force.

The Japanese practice of sending workers home to wait out tough times at half-pay also makes comparisons difficult. According to the Sanwa Research Institute, just under a million workers are functionally unemployed in this way in the manufacturing sector alone.

Statistics also fail to record the human tragedies of the thousands of workers who will be summarily sent by management to any company willing to take them in.

Bunpei Otsuki, head of the Japan Federation of Employers' Associations, stressed in a recent interview that Japanese companies "must make utmost efforts and find ways not to fire employees. Unless we do so, the trust between management and workers will be in jeopardy." But it is difficult to tell whether Japanese workers will be any less resentful of employers if they are fired than they are shunted off to low-prestige, dead-end work at affiliated companies as part of a process of involuntary transfers.

The specter of large-scale unemployment has cast a shadow on this year's annual spring labor offensive, or *shunto*, the period when Japanese unions negotiate for higher wages. In previous years, steel workers were the first to settle their contracts and the wage increases they received acted as a barometer for other industries. This year, however, steel workers are demanding job security; wage increases are out of the question.

Although lifetime employment never extended to more than 20 percent of Japan's labor force, there is little doubt that in the next three years even fewer Japanese workers will be allowed to stay on until retirement. According to Mr. Otsuki, if all Japanese companies make the effort to retain workers and resort to transfers instead of dismissals, Japan's unemployment rate "will be contained at the 3 percent level." But a government report released in early March predicts unemployment will reach 4 percent by 1990.

Indications are that a number of Japanese

employers are also taking advantage of the depressed labor market to pare down payrolls that reward age over ability. Management at Nissan Motors and Kobe Steel are reported to be pressing for formulas aimed at assessing the performance of workers.

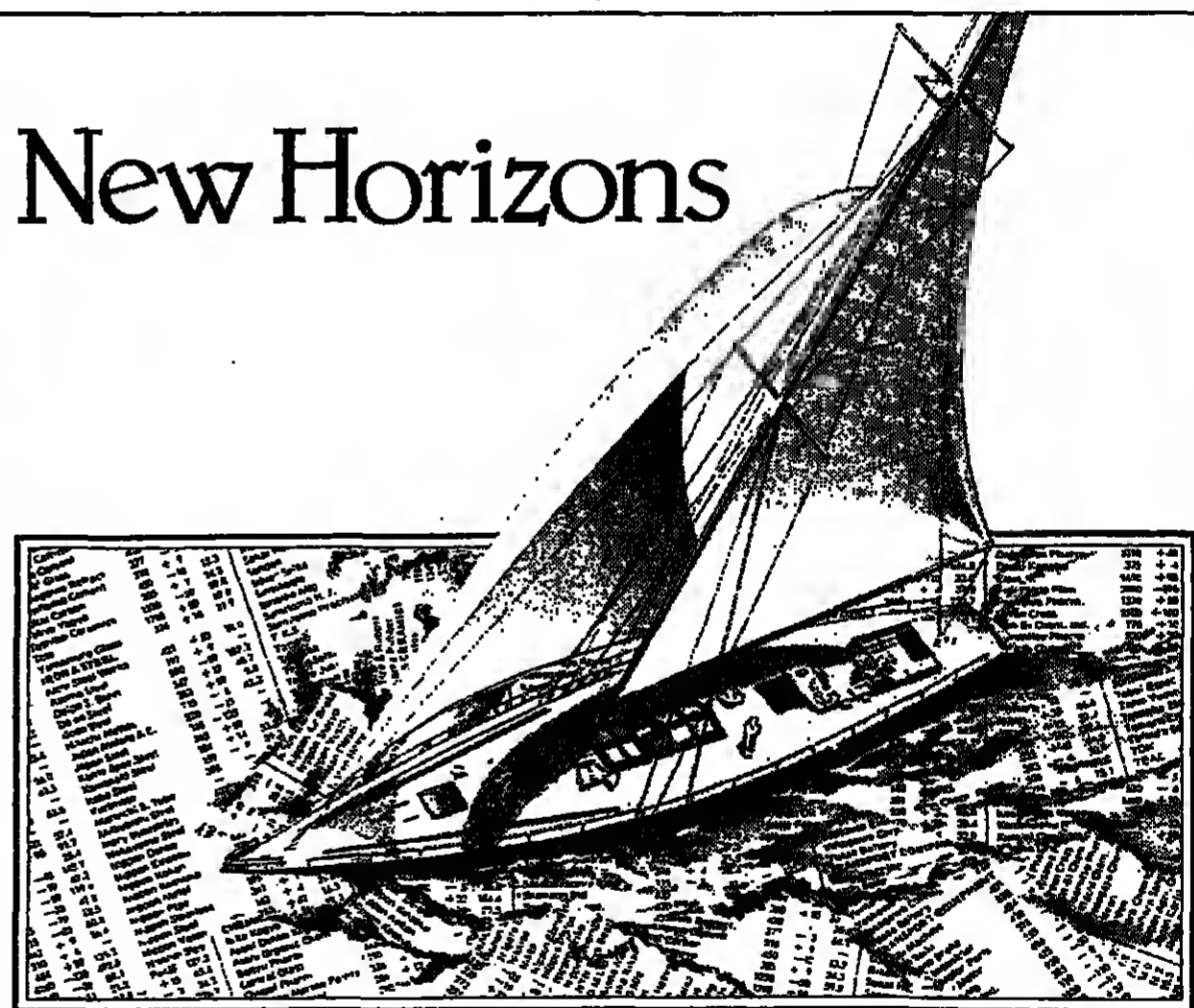
There is another reason, however, why the

effects of unemployment in Japan are difficult to see from abroad: The worst-hit areas are far from Tokyo, in the rust belts to the extreme south and north. Unemployment figures reached 4.2 percent on the northernmost main island of Hokkaido late last year and 3.7 percent on Kyushu in the south. At one Kyushu

coal mine, closed after 100 years, workers complained that they received no offers of employment from affiliated companies.

ANDREW HORVAT is The Independent's Tokyo-based staff correspondent.

New Horizons



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Defense Issues

Doubts over Pentagon Policies Blunt Enthusiasm for SDI Role

By Daniel Snelder

TOKYO — For Japan, President Ronald Reagan's Strategic Defense Initiative program offers both opportunities and perils. The lure of access to the frontiers of high technology and the desire to cement security links with its U.S. ally drives Japan forward into participation in SDI.

Yet, fears that Pentagon security regulations will block commercial use of research results, and worries about the political fallout of joining SDI, restrain Japanese enthusiasm.

The Reagan administration's talk of "early deployment" of SDI anti-missile systems, perhaps by 1993, has heightened such concerns. When Edward L. Rowny, the U.S. arms control adviser, visited Tokyo recently to discuss this issue with Japanese officials, they politely reminded him of the terms of their decision to join SDI.

"Japanese officials explained our basic position on SDI participation," said Yukio Okamoto, director of national security affairs for the Foreign Ministry. In September the government laid out a number of conditions, several of which were emphasized to Mr. Rowny. Those were, according to Mr. Okamoto, "that the initiative should be carried out in conformity with the ABM (anti-ballistic missile) treaty; that consultation with allies and negotiations with the Soviet Union should precede actual deployment; and that the decision of the government of Japan was made to join a research program."

Mr. Rowny reassured the Japanese that they would indeed be consulted before any decision on deployment was made. Publicly, the government was satisfied. Privately, an official said, they were worried about the enthusiasm expressed by Mr. Rowny about certain "breakthroughs" in technology that could allow early deployment of SDI systems. The official described these as space-based "kinetic kill vehicles" and some ground-based systems.

There is some skepticism over the reality of such claims of technology advance. More seriously, the official said, the Japanese feel that the Americans underestimate the political difficulty this can cause the Japanese government. The opposition parties, without exception, have been opposed to an SDI role, viewing it as a violation of the constitutional bar to joining collective security arrangements. Those parties, a Foreign Ministry official fears, are sure to question the government's assurance last September that they are only joining a "research program designed to provide technical

'We don't feel a strong pressure to reach a hasty agreement.'

knowledge for the future U.S. decision on the development and deployment of the strategic defense systems."

In response, the official said, "we will adamantly stick to our original line that we understand SDI to be a research program and that no decision has been taken on deployment."

But he said he feared that this line would soon wear thin.

The political sensitivity of this issue is augmented by the fact that negotiations between Japan and the United States on the actual agreement for SDI participation are unfinished. The government gave the initial nod to participation in research work Sept. 9, a year

and a half after the U.S. offer was first made by Secretary of Defense Caspar W. Weinberger. That decision followed a prolonged study of the program, involving not only government officials but representatives of 21 of Japan's leading high-technology and military production firms.

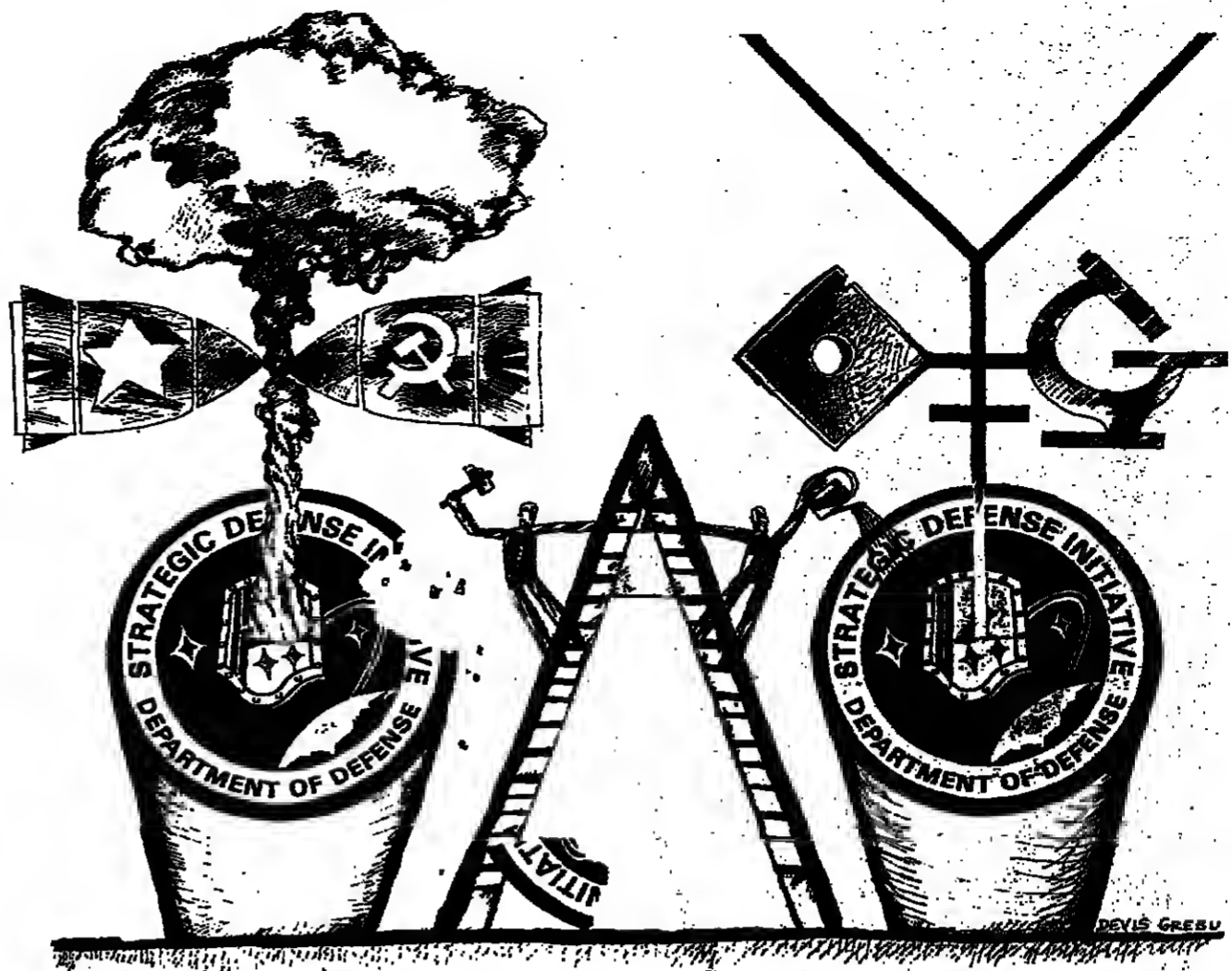
Since September, the Japanese and U.S. governments have been engaged in careful and prolonged negotiations on a framework agreement to govern the participation of private firms and government research labs. Earlier, U.S. officials had hoped to conclude those talks by the end of the year. Now, a Japanese government official said, "we don't feel a strong pressure to reach a hasty agreement, although we would like to conclude this as soon as possible."

The key issue in the talks, Japanese officials say, is the insistence on guarantees that they will be able to take advantage of the results of their research work. SDI offers Japanese companies a valuable path into frontiers of high technology. But they are greatly concerned that Pentagon security regulations will not only void those benefits but could lock up Japanese high technology brought into the program.

This issue was at the center of difficult talks on West German participation in SDI. Japanese officials say privately that they are unhappy with the German agreement, which is reported to reserve the Pentagon's right to own and classify the results of any research work. That agreement is secret, though a purported copy of it was leaked last year to a West German newspaper.

"There is considerable interest" in SDI among Japanese companies, said an official of the Ministry of International Trade and Industry. "But they are somewhat cautious, too. They want the government to clear the passage for them, and only after that they will start walking across."

The MITI official said the companies were



not impatient with the slow pace of the talks. "The Japanese government and industry have little, if any, experience with the Department of Defense acquisition procedures," he said. The talks are aimed at helping Japanese companies "feel more comfortable in participating in SDI projects."

In the meantime, the official said, several Japanese companies have had "preliminary discussions with some U.S. companies on possible tie-ups" in SDI projects. Mitsubishi Heavy Industries, Japan's leading aerospace and military contractor, reported a few months ago an offer from Raytheon Corp. to join a consortium with several European companies to bid on an SDI contract. Mitsubishi de-

ferred because of the government talks but the company says it has a strong interest in future possibilities.

DANIEL SNELDER is a Tokyo-based correspondent for Defense News and The Christian Science Monitor.

Military Budget Creeps Over Magic Mark and the Alarm Bells Sound

By Sam Jameson

TOKYO — To Yuko Kurihara, the director of Japan's Defense Agency, critics such as former U.S. Secretary of State Henry A. Kissinger, who believe Japan will transform itself into a military giant, are mistaking ghosts of the past for realities of the present.

"Kissinger may be a great man, but on this point, he doesn't understand," Mr. Kurihara said in an interview.

In a widely circulated article, Mr. Kissinger said that a decision by Prime Minister Yasuhiro Nakasone to lift an arbitrary ceiling of 1 percent of gross national product on military

spending "makes it inevitable that Japan will emerge as a major military power in the out-to-distant future."

The most immediate effect of the decision was to increase Japan's fiscal 1987 military budget by \$89.3 million more than it could have been raised otherwise. A budget that last year was equal to 0.997 percent of GNP will amount this year to 1.004 percent.

By fiscal 1990, Japan will be capable of withstanding a limited, small-scale attack, a goal it has been seeking since 1976, when the cabinet originally fixed the 1 percent limit.

Even after 1990, however, it will not be able to defend its sea lanes. Nor are there any indications that Japan might one day come to possess, or even wish to possess, nuclear weap-

ons, bombers, seaborne landing capability or ground troops able to stage foreign invasions.

Yet, along with Mr. Kissinger, opposition forces in Japan have warned that the decision will once again turn Japan into a military giant. Chinese leaders, too, have expressed this fear.

Mr. Kurihara said such critics were getting the past confused with the present. "In the old days, the military was the emperor's military. . . . It utilized the emperor's power of supreme command . . . to move politics. Military men . . . held a veto. If [civilians] refused to listen, they could keep out of a cabinet an army minister or a navy minister" and thus prevent the formation of a government, Mr. Kurihara said.

Today, no elected prime minister, the com-

mander of what Japan now calls the Self-Defense Forces, could ignore the parliament or the people, who, in Mr. Kurihara's mind, constitute the most powerful limit on increases in military spending.

Parliamentary democracy has been firmly established in Japan, Mr. Kurihara said, and "we should hold more pride and faith in it."

One of Japan's leading military experts, retired General Hiroomi Kurisu, a former chairman of the joint chiefs of staff, agreed.

In a separate interview, he said that transforming Japan into a military power would mean, first, giving the Air Self-Defense Force an attack capability, including bombers, which it does not have. The Maritime Self-Defense Force would have to be able to launch seaborne landings, a capability "they don't have at all now." The Ground Self-Defense Forces would need "at least 500,000 troops" or more than twice the present strength, he said.

Nuclear weapons, too, could make Japan a military power, although "I do think Japan could become kind of a military giant even without nuclear weapons," said General Kurisu, who is known as a "hawk."

But "as a matter of reality," he said, none of the elements needed to become a military power stand any possibility of winning approval from the people, "certainly not in this century, and even as far into the next century as is conceivable at present."

Mr. Kurihara said there also were physical limitations on military strength. "Japan is a small, narrow country," he said. "What would we do if we bought 300 or 400 F-15s, for example? We have no airstrips for them. . . . It's nearly impossible to describe how hard it is even to obtain an area to conduct a military exercise."

In addition, the Self-Defense Forces cannot recruit enough volunteers, he said. The ground, air and maritime forces have 241,000 members, compared with a World War II peak of more than eight million. Authorized strength is 272,000.

To General Kurisu, giving Japan adequate military power would require 1.5 percent to 1.7 percent of the GNP. But so sensitive is the public to military spending that "even to get to 1.1 percent of the GNP in defense budgets in the next five years would be an accomplishment," he said.

With the cabinet decision to allow spending for the five fiscal years between 1986 and 1990 to reach a total of 18.4 trillion yen (\$122.7 billion), Japan will be able to expand its military budgets in each of the next three years by "about 5.4 percent," Mr. Kurihara said. That will virtually ensure the achievement of goals

Cost of Defense

(in billions of U.S. dollars)

	Outlays	% of GNP
JAPAN	22.0	1.0
W Germany	27.2	3.1
France	27.7	4.0
Britain	28.7	5.2
U.S.	297.6	6.7

Source: Japan 1987 budget, NATO, ITSS.

Japan set in weapons and equipment procurement under a 1976 outline, he added.

The outline provided for 62 frigates, 93 P-3C anti-submarine aircraft and 320 jet fighters, including 163 F-15 Eagles.

General Kurisu, however, said such a result would still leave Japan's armed forces with shortcomings.

The spending plan will also fail to bring Japan up to the standards the United States would like to see. Although Secretary of Defense Caspar W. Weinberger has said publicly he would like Japan to be able by 1989 to defend its sea lanes out to a distance of 1,000 miles (1,610 kilometers) from Tokyo and Osaka, Mr. Kurihara said only that such ability would be achieved "to a considerable degree" by 1991.

General Kurisu predicted that sea lane defense would not be achieved until 2000 if the current pace of spending continues. At least one additional flotilla would be needed, he said.

The military budget now before the parliament calls for 3.52 trillion yen in spending for

fiscal 1987, beginning April 1. Annual increases of 5.4 percent would raise the budget to \$27.5 billion in fiscal 1990, still less than Britain. West Germany or France now spends on defense.

What happens after fiscal 1990 has been left for the next government to decide, Mr. Kurihara said. However, he added, the philosophy of "moderate defense spending" — the core of the 1976 cabinet decision — will be maintained, despite Defense Agency declarations in recent years that the "potential threat" from the Soviet Union has been growing.

"We will put in our plans what is needed for Japan's defense, and as a result of that, look at the amount to which defense spending adds up. [But] we will not be adding items because we have a new leeway," he said.

The 1 percent limit has come to assume an important place in the anti-war mentality of the Japanese people, born of defeat in World War II, so much so that "it cannot be changed radically," he said.

"Historical experience," Mr. Kurihara said, sustains Asian countries' suspicions of Japanese motives. Japan, however, must keep trying to convince them of its commitment to peace, he said.

Mr. Kurihara said he will tell Chinese leaders when he visits Beijing later this year that Japan "frankly" accepts its responsibility for its war with China and that "we not only won't do it again, but cannot do it again."

He said he welcomed the fact that Washington opposed the idea of Japan becoming a military power. Under the U.S.-Japan security treaty, he said, "the United States should accept the responsibility for Japan not becoming a military giant" by "rescuing us from whatever deficiencies [we have]."

Both Mr. Kurihara and General Kurisu said the chief long-term significance of lifting the 1 percent-of-GNP limit would be to refocus debate in Japan from sums of money to what the country actually needs for defense.

"Fussing about 1 percent is nonsense," Mr. Kurihara said. "This doesn't focus on the substance of defense, which is what should be debated."

The 1 percent limit, General Kurisu said, was "a formalistic obstacle that stood in the way of thinking about goals of substance in defense." Its removal, however, will provide no more than a stepping stone toward a realistic debate, he said.

SAM JAMESON is a Tokyo-based correspondent for the Los Angeles Times.



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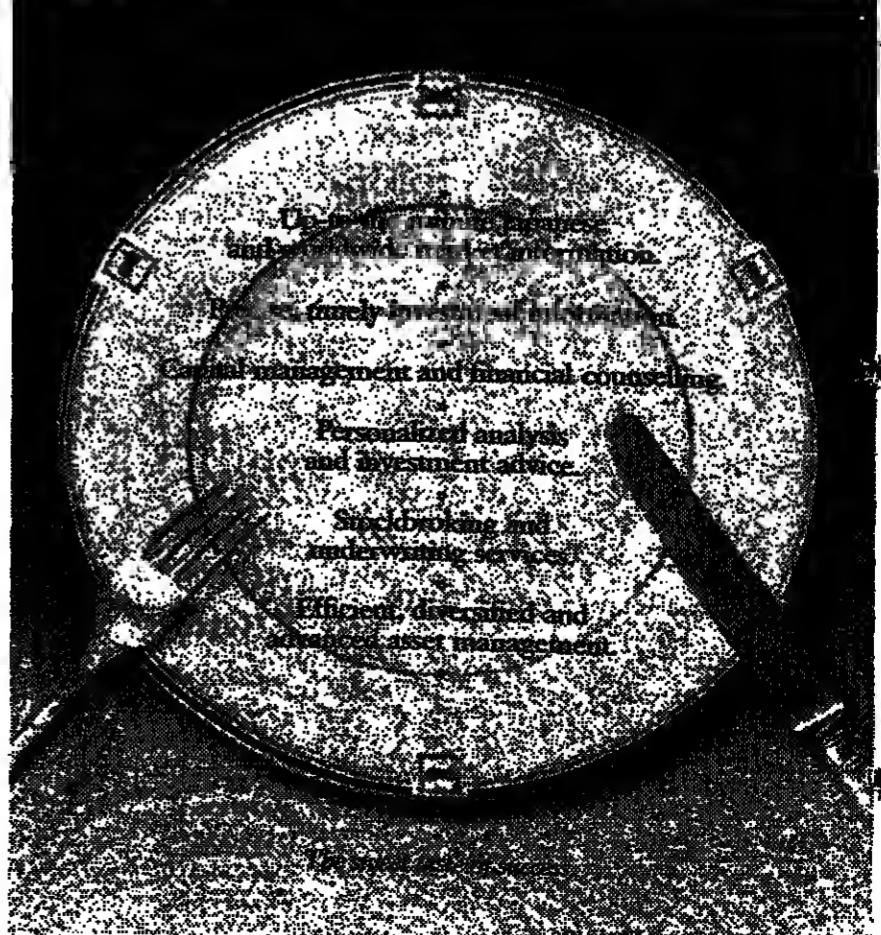
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ARTS / LEISURE

Reassembling Chanel as Skirts Go Up



By Hebe Dorsey
International Herald Tribune

PARIS — What every woman needs at this point is a good pair of scissors. As the ready-to-wear collections keep unfolding, skirts keep climbing.

But otherwise, with Dior, Givenchy and Chanel, things were back to normal with expensive, understandable clothes — and good-bye madness.

At Chanel's, Karl Lagerfeld had fun taking apart the Chanel look, then putting it back together again. It worked and this was a peach of a collection. Skirts were ultra-short with legs outlined in opaque pantyhose.

Lagerfeld cropped everything short, including boleros, and replaced Chanel's classic blouses with turtlenecks.

The classic Chanel suit kept disintegrating as Lagerfeld threw tweed jackets over jacquard knit tunics that were more micro than mini. Tunics were also topped by twin-sets or long cardigans.

Wide, black silk leather belts and matching silk bow-ties, were new. The pale color scheme of Chanel was no more. Lagerfeld went into strong colors — reds, blues, greens — and did a lot of mix and match, combining different plaids and checks. Quilted leather suits

were attractive as were the Russian navy suits. The beautiful brown jersey suit, with military collar, which cropped up toward the end could well become the new Chanel.

The evening picture looked best. Ten Lagerfeld stuck to the old Chanel classics. Ivory silk blouses, with lace cuffs and fronts worn

PARIS FASHION

with long, flowing silk pajamas in a Prince of Wales pattern, were delicious in an ambiguous but acceptable way. On a black velvet background, one outfit featured a heart-shaped red satin bolero.

The familiar Chanel gold chains and buttons were used with abandon. There were gold chain shoulder straps and others strung at the back of black dresses. Gold buttons turned up at the back of skirts or down the sides of dresses. All of it a bit much and yet not enough to revive the old Chanel look.

Hubert de Givenchy is a pro, and his collection Monday morning was perfectly in focus with lovely, timeless clothes for equally lovely women. There was no outrageousness here, no culture shock — but a grateful audience rose to its feet to thank such a gentle, distinguished designer.

The news here was short but adult. It was all in the proportions, slim and low-waisted with strong shoulders. Long tunics topped very short skirts. Neat classic suits were touched up with gold accents, recalling Givenchy's last couture collection. Actually, these clothes looked so well made they could have passed for couture.

Givenchy, who designs with the American market in mind, kept to strong colors — red, purple, green — for daytime and black for evening. Details included suede patch pockets on jersey chemises, big ponchos over everything, jungle prints and quilted leather coats.

Evening wear, again mostly short, included satin bubbles or bloomers attached to long black velvet torsos. This designer's homage to hips was strongly outlined, velvet panniered peplums over strict, black jersey sheaths.

Other news at Givenchy's included a new boutique on the Avenue Montaigne.

At Dior's, things have not improved much, and this house is still in need of a good designer. Skirts were short under Austrian duffel-coats, complete with frog fastenings. Bavarian-inspired coats, worn with Tirolean hats, had deep pleats in the back, held by a high belt. For evening, short bubbles alternated with short and skinny bustier dresses.

The collection of Enrico Coveri was peppy and fun and so young it looked like a college campus gone wild with color. Coveri is a young, successful Italian designer who is trying to make his mark in Paris. His collection also included children in bright ski outfits — children's wear is one of Coveri's 37 lines.

The colorful Peruvian knit group was one of the best parts of this collection as well as the brightly plaid campus look. Evening wear, which Coveri is tackling for the

first time, was all about puffs à la Christian Lacroix — and still needs considerable adjusting.

Issey Miyake, the giant of Japanese fashion, has gone to the West just like his colleagues. Once wildly involved in fashion-as-an-art-form and wild drapings, he has now settled for more understandable clothes. Despite the asymmetry and some tricky buttons that never buttoned where they were sup-

posed to, these straightforward clothes were told in simple, uncomplicated and highly comfortable terms.

The surprise of this season turned out to be Marc Audebert, a newcomer on the scene who is bound to make serious waves. Audebert is a sincere, dedicated designer and his research into new stretch fabrics, which should push fashion forward, was a riveting experience.

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A peach of a collection

Karl Lagerfeld has redone Chanel with shorter skirts and much brighter colors.

Roy Haynes, the Uncrowned Drum King

By Mike Zwerin
International Herald Tribune

PARIS — Some Roy Haynes

testimonials.

John Coltrane: "Roy Haynes is one of the best drummers I ever worked with."

Max Roach (to Charlie Parker before leaving his band): "Hire Roy Haynes."

Esquire magazine: "Roy Haynes is one of the best dressed men in America."

Sonny Rollins: "Roy should be immortalized. I can dig his statue somewhere, like the one of Sidney Bechet in Antibes."

Lester Young: "You should be called the Royal of Haynes."

Roy Haynes: "I'm a king, man, and I don't need the industry to tell me that, or win any polls... he wins few — I'm an uncrowned king and I know it, I carry myself like a goddamn king. I know I'm cool. I've been to the mountaintop."

In 1951, he refused Duke Ellington's invitation to replace Louis Bellson, who was taking honeymoon leave, because: "I figured there were too many guys on that



Best-dressed Roy Haynes in Paris.

After growing up in Boston, the teen-age Haynes worked with Frankie Newton, Pete Brown and Sabby Lewis. In 1945, the band leader Luis Russell sent him a one-way ticket to New York. He played Town Hall with Billie Holiday, went out with Jazz at the Philharmonic, worked with Young, Parker, Rollins, Coltrane, Louis Armstrong, Thelonius Monk, Stan Getz, Gary Burton, and Chick Corea. He had "money and cars and was single."

He began to have his clothes custom-made by a tailor in Cambridge. Esquire included him on its best-dressed list. He recalls that Miles Davis was on the same list: "We were the only two blacks and the only two musicians. It was a mixed blessing, people started talking more about my clothes than my drumming. And it still goes on. If I have a hole in my sock, some girl will say, 'Hey, I thought you were supposed to be well dressed.'"

Jazz Hot magazine ran a cover story on Haynes when he came to Paris for the first time, with Sarah Vaughan, in 1954. "That really turned me around," he said. "They put a guy who's playing background for a singer on their cover. Paris has been special for me ever since."

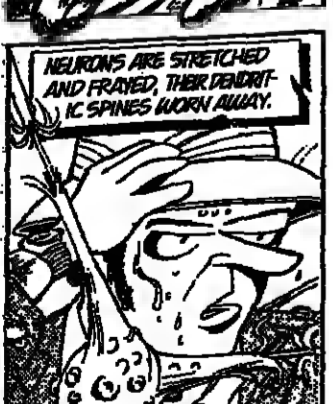
Last year his superbly staffed youthful quartet recorded in the Magnetic Terrace, a club in Les Halles where they are currently appearing, and the album, "True And False" (Freelance Records), has just been released. It illustrates the

positive side of recording live: The public adds its energy to the energetic "neo-bop."

He's put his children through school, paid off the mortgage on his Long Island home; there are no more car notes and he does not take drugs. At 61, he can afford to relax and pick his spots, "so that when I do play, I really mean it. I want it to float like a balloon on the bandstand. Let it expand, but not too much, because if it breaks it's all over. I'm talking about jazz. Other people did it, but Roy Haynes did it and did it and did it. I keep going without going down. I'm proud of that. If people have any sense, anytime I'm advertised they'll be there."

The Roy Haynes Quartet: Magnetic Terrace (12 Rue de la Cossonnerie), through March 28.

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Statistics Index

Table listing various statistics such as AMEX prices, NYSE series, and commodity prices.

TUESDAY, MARCH 24, 1987

INTERNATIONAL STOCK MARKETS

Worldwide Securities Boom Passes Dutch Market By

By EMMA ROBSON

AMSTERDAM — While exchanges around the world revel in the general securities boom, the Dutch stock market remains lackluster despite a series of largely positive annual corporate results and signs of a more stable dollar, analysts have said.

Prices and turnover on the Amsterdam Stock Exchange have sprung back from lows reached when the dollar dipped below the 2 guilder mark in January. The ANP-CBS general index, which was at 259.20 on Jan. 29, stood at 278.60 at the close of trading Monday.

But market analysts say only lower interest rates or a further rise in the dollar, which ended last week at 2.069 guilders, could maintain the momentum.

More stable dollar, companies' profits have yet to spark sustained recovery.

"Between end-1982 and end-1986 Dutch stocks rose by around 150 percent, but the dollar's sharp fall last year put the brake on the bull market," said Philip Menco, analyst with Bank CLN Oyens & van Eeghen.

The dollar's current level compares with an average in 1986 of 2.45 guilders, and 3.35 in 1985, official figures show. But Arjen Los, analyst with the Dutch merchant bank Pierson, Helderling & Pierson, said there was room for optimism.

"We're seen as exaggerating the whole dollar affair," he said. "The market is the bottom of its decline. But what is lacking is a stimulus on the interest rate front."

"The scope for price rises in Dutch shares is narrow, given the limited room for lower interest rates," Mr. Los said. He added that the Dutch market could only dream of the returns of around 15 percent that are seen in rising markets elsewhere in Europe.

WHEN THE DOLLAR slumped in the second half of 1986, U.S. and British investors were heavy sellers of Dutch stock. They made an enormous currency gain, according to Mr. Menco of Bank CLN.

Figures from the Finance Ministry show that foreign investment in Dutch stock last year fell by nearly half to 4.2 billion guilders (\$2.03 billion).

Mr. Los of Pierson envisaged no significant revival of foreign interest in the Dutch market. He said he expected that the large liquid pension funds in the Netherlands would pursue a more aggressive portfolio management policy while continuing to invest in markets with weaker currencies.

Outflows of nonbank Dutch capital were a record 21.4 billion guilders last year, 12.3 billion of which stemmed from securities transactions.

Kees ten Have of Staal Bankiers said that Dutch institutions had been rallying to buoyant foreign markets, but this season's results could coax some of them back to the relatively underpriced Dutch market.

Mr. ten Have said Dutch price/earnings ratios based on forecasts of 1987 results were broadly unchanged compared with 1986. With an average ratio of 10, they were still attractively lower than shares of other exchanges, he added.

He said the reliability of the strong guilders was a further factor favoring investments in stock of Dutch companies.

Senior bank economists said that last week's official economic forecast by the CPB planning agency painted a gloomy picture of the Netherlands economy but this would not shake investor confidence in the country's business sector. The economy of the Netherlands was doing relatively well compared with that of other nations, they added.

Analysts say most companies have fulfilled expectations, while some concerns, particularly in food and publishing, surprised the market with continued solid profit growth despite major investments denominated in dollars and British pounds.

Companies such as Unilever, NV Philips and Heineken NV

See DUTCH, Page 17

C&W Says A Merger Is 'Unfair'

Company Rejects Japanese Plan

Agency France-Press

TOKYO — Cable & Wireless PLC said Monday it would not accept an "unfair" Japanese government plan that would diminish the British communications giant's participation in Japan's new international telecommunications market.

Jonathan Solomon, the director of special planning, said C&W had no intention of accepting the plan for merging the two joint ventures bidding for licenses in the government-controlled overseas telecommunication field.

C&W has a 20 percent stake in International Digital Communications Planning Inc., one of the two companies seeking to break into a market that had been monopolized by Kokusai Denhin Denwa Co. Ltd. until two years ago.

Pacific Telesis International of the United States, which owns 10 percent of International Digital, also opposes the plan, which would limit foreign companies' shares of the merged enterprise to about 3 percent each, compared with 5 percent for the main Japanese partners.

Japanese law allows foreign ownership of as much as one-third. International Digital's rival, International Telecom Japan Inc., is owned by Mitsubishi Corp., Misui & Co., Sumitomo Corp., and 53 other Japanese companies. The Japanese commercial trading concern, C. Itoh & Co., owns 20 percent of International Digital.

The Japanese partners in both companies support a merger, which the government has said, would strengthen the competition's position against Kokusai Denhin Denwa.

The government plan, which also would bar C&W from full-time participation in the management of the merged company, is incompatible with international practice, Mr. Solomon said, adding that British Prime Minister Margaret Thatcher is very concerned with the question of whether the Japanese telecommunications market is "fair and open."

Mrs. Thatcher and U.S. officials have recently written strongly worded letters to Japanese officials urging that they open Japan's telecommunications market to foreign companies.

Mr. Solomon said that a feasibility study made by International Digital had shown that two competitors could coexist against Kokusai Denhin Denwa. He said that the reduced equity plan was "a joke" that did not make "business sense."

During Mr. Solomon's visit here the Japan Federation of Economic Organizations, or Keidanren, had tried to persuade C&W to accept the unification plan.

Fumio Watanabe, the Keidanren mediator on the telecom question, said that C&W had pressed its demand that the new international telecommunications venture should immediately lay a trans-Pacific submarine cable.

A Battle Brews at Giant San Miguel Company Is Case Study in Post-Marcos Uncertainties

By Nicholas D. Kristof New York Times Service

MANILA — San Miguel Corp., by far the largest concern in the Philippines, is a company with an identity crisis. No one knows who owns it, its former chairman is in exile, the government has sequestered more than half of its stock.

It offers a case study of the traumas and uncertainties that business has faced in the Philippines since the departure of Ferdinand E. Marcos, with whom most companies had warm relations when he was president.

Eduardo M. Cojuangco, San Miguel's chairman until about a year ago, was a close associate of Mr. Marcos. Even though Mr. Cojuangco also is a cousin of the new president, Corason C. Aquino, he fled when Mr. Marcos was ousted.

"It is not quite fair to say that San Miguel was in bed with Marcos," said Solita Collas-Monsod, the Philippines secretary of economic planning. "San Miguel was forced to go to bed with Marcos."

In one way or another, many companies had close links with the Marcos government. The president and his associates often were large shareholders. After Mrs. Aquino took office, the government confiscated large blocks of shares of many of the biggest corporations, contending that these shares had been obtained with ill-gotten wealth.

Many companies also had to deal with new board members appointed by the government.

"Almost all big companies are in this situation," said Randa F. Immanuel, who heads the Manila office of Jardine Fleming Securities. "The government has put people on the boards of directors. But on the operations side, I don't think there have been significant changes."

Others echo that sentiment. Bernardo M. Villegas, a prominent economist who sits on the board of a Benguet Corp. subsidiary, said Benguet's day-to-day



Ferdinand E. Marcos

operations have suffered little from the sequestration of a large stake believed to have belonged to Mr. Marcos.

Yet the turmoil has taken a toll, as is evident at San Miguel. Founded in 1890 as a small brewery, San Miguel Corp. has grown into a pillar of the Philippine economy. Together with its subsidiaries, the company accounts for 3.5 percent of gross

national product and pays 5 percent of the nation's taxes.

The company's tentacles extend everywhere. It is the country's largest cattle farmer, it operates Shakey's pizza parlors and it distributes Coca-Cola. It supplies nearly all of the ice cream, butter, milk and beer consumed by 56 million Filipinos. And, a year ago, it supplied a good num-

ber of votes for Mr. Marcos in his presidential campaign against Mrs. Aquino.

San Miguel's entry into politics came after Mr. Cojuangco bought a controlling interest in the company in 1984 from the Soriano, a family of Spanish descent dominant in the local aristocracy, who had controlled the company since the early 1900s.

Mr. Cojuangco retained a seat on the family, Andres Soriano Jr., as president, but Mr. Soriano's authority was drastically curbed.

When Mr. Marcos battled Mrs. Aquino in the presidential election a little more than a year ago, Mr. Cojuangco put all of the company's resources behind Mr. Marcos. Its 18,000 employees were ordered to back Mr. Marcos, and Marcos bumper stickers were put on the company's fleet of 2,000 vehicles. The company was torn apart, and many employees backed a consumer boycott by Mrs. Aquino's supporters of San Miguel products.

Then Mr. Marcos was ousted, and Mr. Cojuangco fled. Analysts say that Mr. Soriano saw his chance to recover control of the family company and acted swiftly. The company describes the events as a product of nobler motives.

"The company was drifting, and it was demoralized," said Ramon del Rosario Jr., whom Mr. Soriano soon installed as chief financial officer. "Mr. Soriano responded out of a sense of responsibility to the organization, to the employees and to shareholders."

San Miguel says that Mr. Soriano simply tried to resolve quickly and decisively the confusion about ownership of the company. His critics, including some government officials, say Mr. Soriano tried to use corporate assets to seize control of the company for himself.

"If it happened in New York, he would be in jail," said Ramon Diaz, chairman of the Presidential Commission on Good Gov-

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U.S. Offers IADB \$9 Billion, but Wants More Say

United Press International

MIAMI — Treasury Secretary James A. Baker 3d told Latin American and Caribbean leaders Monday that they must choose between having a small Inter-American Development Bank that they control and a much larger bank subject to much heavier U.S. influence on lending.

Mr. Baker spoke at the opening session of the annual meeting of the IADB, a 44-nation lending agency.

His offer to the bank of \$9 billion toward its seventh four-year capital replenishment would represent a 75 percent increase in the U.S. contribution.

It would vastly increase the lending power of the bank, which has committed about \$35 billion in loans to Latin America and the Caribbean since 1959.

Mr. Baker made it clear that "as part of this proposal, we are seeking a greater say in IADB decisions for the nonborrowing member countries," as well as certain reforms in bank practices and the hiring of better-trained personnel.

He said that the United States was "not making this request for the sake of change, nor out of a desire to assert American prerogatives," but because the Reagan administration believed that "more discretion and policy influence should be with the parties which contribute the lion's share of resources."

He noted that Western nations that provide 95 percent of the bank's financial resources represent 46 percent of the voting shares.

If the bank's governors refuse to cooperate, Mr. Baker said, "the bank could not expect to lend more over the next four years than it has lent over the previous four years," or about \$3 billion annually.

The Latin-Caribbean bloc of nations holds 53 percent of the voting shares.

The United States holds 34.5 percent of the voting shares and wanted to change the rules so that

all loans would require at least a 65 percent vote from the IADB board to win passage.

But bank leaders, meeting during the weekend, could not reach agreement on that proposal and postponed it until a June meeting in Washington.

Latin American nations and member countries outside the Western Hemisphere had proposed in turn that a 60 percent vote be required for passage, thus requiring the United States to find at least two allies among the executive directors to block any bank action.

Most Latin leaders have vehemently opposed any loss of control over the IADB, because they consider the agency as the one international lender that shares their viewpoint.

In his speech, Mr. Baker did not specifically stick with his demand for a 65 percent majority. It was not clear whether that meant the United States was willing to accept the 60 percent proposal.

The \$3.03 billion in commitments that the bank made last year is the lowest amount the agency has lent in four years.

The bank said that it would have given more, but that some countries could not come up with the necessary supplementary funds.

The development bank said its efforts had been slowed by the drop in petroleum prices last year and the steady fall in prices for the primary materials that many Latin and Caribbean nations produce.

"Government authorities are becoming increasingly convinced that only a global economic recovery will overcome the imbalances in international trade and finance," the bank president, Antonio Ortiz Mena, said in his opening remarks.

The IADB, like the World Bank, pools funds from contributing nations worldwide and lends the money to needy countries. The IADB makes loans exclusively to countries in Latin America and the Caribbean.

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Brazil Businessmen Urge Cooperation With IMF

Reuters

SAO PAULO — Brazilian business leaders, at a meeting with President Jose Sarney, have called for the government to return to the International Monetary Fund instead of persevering with its present debt policy.

Participants in the meeting said Sunday that the major themes were the debt crisis and the need to avoid recession.

The Brazilian government's refusal to let the IMF play a role in its economy has complicated attempts to reschedule its \$109 billion international debt.

An about-face on the IMF issue would be politically difficult for the Sarney government and there are no firm indications that such a policy reversal is in the offing.

Mr. Sarney galvanized attention on Brazil's debt crisis last month when he suspended interest payments on the country's \$68 billion debt to commercial banks, a move

that has found little favor in the country's business community.

At a barbecue on a farm north of Sao Paulo owned by Matias Machline, an entrepreneur, Mr. Sarney met 24 businessmen Saturday to discuss Brazil's economic crisis.

Several businessmen called for a return to the IMF, arguing that this would give Brazil access to new funds and would allow the economy to grow.

Mario Amato, president of the Sao Paulo State Industries' Federation, was quoted as saying: "We have to discuss the foreign debt like Mexico does, if necessary going to the IMF."

Another Sao Paulo businessman, Romeu Chap Chap, told reporters: "After all, the fund isn't a monster."

The figure most closely associated with the anti-IMF stance is Finance Minister Dilson Funaro, who was not present Saturday.

Brazilian newspapers reported that several businessmen had

seized the opportunity to tell Mr. Sarney that they would like to see Mr. Funaro resign.

Mr. Funaro and many politicians in the governing Brazilian Democratic Movement Party say that adoption of policies recommended by the IMF would stifle growth in Brazil.

Businessmen said that in their talks with Mr. Sarney they also stressed their wish for a free-market economy.

The government's attempt to control prices under its Cruzado Plan introduced in February 1986 strained its relations with business and did not achieve its goal.

Just before meeting the businessmen, Mr. Sarney gave a speech in Sao Paulo and pledged that the Cruzado Plan "will rise again, stronger and more energetic."

Brazil Aide Meets Bankers

Anne Swanson of the Washington Post reported from Miami: Brazil hopes to resume payments on the \$68 billion in commercial

debt "as soon as possible," ideally before U.S. banks have to subtract the unpaid interest from their profits, Francisco Gros, head of Brazil's central bank, said Sunday.

But Mr. Gros did not give a timetable for resumption of interest payments, which Brazil suspended Feb. 20. If interest payments on the long-term debt do not resume 90 days after they come due, the banks would have to change their accounting systems to stop counting the money as income.

Mr. Gros met with officials of Brazil's main lender banks, in Miami for the meeting of the Inter-American Development Bank.

He said later that Brazil had requested a three-month extension on \$9.5 billion in 1986 loans that are due April 16.

In the meeting, Mr. Gros also sought to forestall a credit crisis that could occur on March 31, when about \$15.5 billion in short-term credit for trade comes due.

Currency Rates

Table showing currency rates for various countries including Amsterdam, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, and others.

Other Dollar Values

Table showing other dollar values for various currencies such as Australian dollar, Canadian dollar, Hong Kong dollar, etc.

Interest Rates

Table showing interest rates for various terms and currencies including 1 month, 3 months, 6 months, and 1 year.

Table showing key money rates for various currencies and terms.

Table showing West Germany interest rates for various terms.

Table showing British interest rates for various terms.

Source: Reuters, Bank of Tokyo, Citibank, Credit Lyonnais.

U.S. Accounting Practices Criticized

By John Holusha

New York Times Service

DETROIT — Outmoded accounting systems may be responsible for the failure of many American manufacturing companies to update their factories to equal those of the Japanese and other international competitors, according to a study commissioned by an accountants' group and an organization of people involved in high-technology manufacturing.

Management accountants, the study said, "are relying on old tools to deal with changing, new and very different manufacturing environments." Among the problems it cited were the insistence of many companies on short payback periods for investments in technology, an overemphasis on labor costs, which are shrinking as a percentage of total cost, and an inability to measure the benefits of improved product quality and service.

The report was commissioned by the National Association of Accountants and Computer-Aided Manufacturing-International.

Although some companies have invested in modern production technology — often ignoring their own payback standards to do so — many of those that have not are "being held hostage by the inadequacies and inappropriateness of old management accounting practices," the study said.

The purpose of the study was "to establish a baseline of current practices" and to determine the shortcomings in existing systems, according to Patrick L. Romano, the director of research for the accountants' group. Other reports will suggest ways to modify accounting standards for factories that are highly automated or where low inventory, just-in-time manufacturing is under way, he said.

Many of the study's conclusions appear to back proponents of computer-integrated manufacturing,

who say existing corporate financial controls inhibit the modernization of U.S. manufacturers. One of the most vocal spokesmen for that point of view has been J. Tracy O'Rourke, chief executive of the Allen-Bradley Co. in Milwaukee.

"We have been trapped in a system of evaluating our financial investments in a short-term, tactical way," he said. Of the several hundred companies and corporate operating divisions surveyed for the study, 70 percent said they demanded that new investments pay for themselves within three years.

"Traditional models are good if you are going to buy one or two machines," Mr. O'Rourke said. "But if you are going to reposition the company with a new philosophy to get quantum jumps in quality and productivity, traditional models don't give you any answers."

Another deficiency in current accounting systems, according to the report, was the use of direct labor as the critical variable in measuring costs. In the companies surveyed, direct labor averaged only 15 percent of total manufacturing cost, compared with 53 percent for materials and 32 percent for overhead.

This emphasis on labor costs and labor productivity has resulted in less attention to material costs and the problems involved with excess inventory and has obscured the fact that overhead offers twice the opportunity for cutting costs.

On the positive side, the study found that the overwhelming majority of the executives surveyed said improving product quality was their top priority. This attitude, it noted, "is a dramatic shift from 20 years ago, when cost-competitiveness was the focus."

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Monday's NYSE Closing

Tables include the nationwide articles up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52-Week High Low Open Close

(Continued)

1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	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شكرام الأهل

Exxon Plans to Continue Exploration

NEW YORK — Exxon Corp. plans to continue exploration and development worldwide to maintain its oil reserves, according to Donald McIvor, a director and senior vice president.

Small Danish Bank Closed After Bond Portfolio Losses

By Juris Kaza
Special to the Herald Tribune
STOCKHOLM — The small, privately owned 6. Juli Bank was temporarily closed Monday by the Danish Banking Supervision because of irregularities found in 1986 accounts that appeared to have been used to cover heavy losses on the bank's bond portfolio.

Jefferies Case Raises Fears of a Broader Inquiry

By James Stengold
New York Times Service
NEW YORK — A Wall Street practice that some securities industry executives say is common may be coming under scrutiny by federal regulators as being illegal, fueling concerns that the current trading scandal may broaden.

Cityquest Offers \$120 Million For Wickes PLC

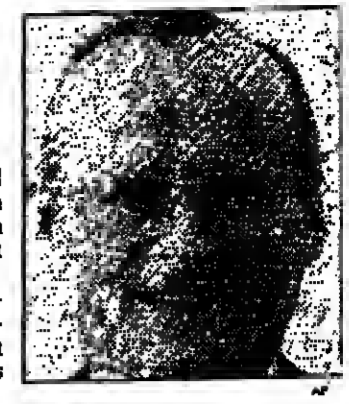
LONDON — Cityquest PLC, a newly formed company, is making a recommended \$120 million (\$192 million) offer for Wickes PLC, the building-supply retailer, Wickes said.

VW Sees Gains in Domestic Market But Hahn Is Cautious on U.S. Sales, Silent About Fraud

WOLFSBURG, West Germany — Volkswagen AG expects to increase its market share in West Germany this year after registering gains in January and February, Carl H. Hahn, the managing board chairman, said Monday.

Shearson, Nippon Life Plan London Venture

By James Stengold
New York Times Service
NEW YORK — Shearson Lehman Brothers Inc. and Nippon Life Insurance Co. plan to set up a joint venture in London if their arrangement to sell 13 percent of Shearson to Nippon Life is approved, officials at the companies have said.



Carl H. Hahn

moved to increase the flexibility of the Westmoreland plant, but that there were no plans at the moment to increase production there.

Wolfgang Lincke, head of car development, said the increasing environmental awareness of West German consumers would allow Volkswagen to sell more high-price cars containing equipment such as catalytic converters, which remove pollutants from exhaust.

Table with 2 columns: FOREIGN & COLONIAL RESERVE ASSET FUND, and various asset categories like US DOLLAR CASH, MULTICURRENCY CASH, etc.

7 Bank Officials In Italy Held In Embezzlement

COSENZA, Italy — The president and five senior managers of a publicly owned savings bank and the vice president of another major bank have been arrested on embezzlement charges, police said Monday.

Texaco Alleges Bias by Judge in Pennzoil Case

HOUSTON — Texaco Inc. filed new evidence Monday in its legal battle with Pennzoil Co., asserting that the judge who heard the initial court case over Getty Oil Co. "carried a personal grudge" against Texaco and its lead attorney.

DUTCH: Lackluster Market

(Continued from first finance page) had unexpectedly positive results. But the three big banks, Algemene Bank Nederland, Amsterdam-Rotterdam Bank and Nederlandsche Middenstandsbank, had poor results, achieving higher profits partly by reducing their risk provisions.

COMPANY NOTES

Alitalia SpA reported that provisional net profit in 1986 rose to 55 billion lire (\$42.3 million at current rates) from 48 billion in 1985, a 14.6 percent increase.

Kingdom of Sweden US\$500,000,000 Floating Rate Notes due 2005

Chemical Bank Home Loans Special Terms for UK Mortgages

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Table with columns: Country, Currency, 12 months (+2 months), 6 months (+1 month), 3 months (+2 weeks), Subscription price per copy**, Newsstand price per copy, Your Savings per copy**, Total

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Subscription form for International Herald Tribune with fields for name, address, city, and payment options.

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: High, Low, Stock, Div. Yld. PE, 52-Week High, 52-Week Low, Change. Lists various stocks like ACI, AM, AMEX, etc.

Table with columns: High, Low, Stock, Div. Yld. PE, 52-Week High, 52-Week Low, Change. Lists various stocks like AMEX, AMEX, AMEX, etc.

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 23 March 1987

Large table listing various international funds with columns for fund name, share price, and other details.

Other Funds

Table listing other funds with columns for fund name, share price, and other details.

Floating-Rate Notes

Table listing floating-rate notes with columns for issuer, coupon, and other details.

Pounds Sterling

Table listing pounds sterling exchange rates with columns for bank, rate, and other details.

Deutsche Marks

Table listing deutsche marks exchange rates with columns for bank, rate, and other details.

Japanese Yen

Table listing Japanese yen exchange rates with columns for bank, rate, and other details.

Vertical advertisements on the right side of the page, including 'AMEX Highs-Lows', 'INTERNATIONAL MANAGER', and 'Deutsche Marks'.

Handwritten text at the bottom center: 'سكان من الأهل'

CURRENCY MARKETS

Dollar Falls to a Low Against Yen

NEW YORK — The dollar fell Monday in New York, breaching a postwar low against the yen on nervousness over the status of Japanese trade with the United States...

London Dollar Rates

Table with columns: Currency, Rate, % Chg. Includes entries for Deutsche mark, Swiss franc, Japanese yen, French franc, and British pound.

The U.S. currency dropped to close at 150.025 yen, from 151.375 yen at the close Friday. Its previous post-World War II low was 150.45 yen at Tokyo on Jan. 19.

The market is trying to test the 150-yen mark to see if the Bank of Japan intervenes to support it, said Daniel Holland, vice president at Discount Corp. of New York.

The dollar also fell in New York against the Deutsche mark, to 1.8173 DM from 1.8280 Friday; against the Swiss franc, to 1.5205 francs from 1.5305; and against the French franc, to 6.0525 francs from 6.0900.

The British pound continued its rise, closing Monday at \$1.6185 after \$1.6045 on Friday. Dealers said that in dollar-yen trading, there also was nervousness over warnings by the U.S. trade

helped the trade imbalance and that "we are getting into appropriate ranges" for the currency. This was interpreted to mean that the dollar was not yet low enough.

In European trading, persistent worries about central bank intervention kept the dollar's decline moderate, dealers said.

The dollar closed in London at 1.8205 DM, down from Friday's close of 1.8322 DM, and at 150.17 yen, down from 151.65 on Friday.

The Swiss franc also fell against the dollar, to close at 1.5235 francs after Friday's 1.5343, and against the French franc, to 6.0585 francs from 6.1000.

The pound firmed amid forecasts that its recent rally has further to go and it closed at \$1.6172, up from Friday's \$1.6020.

Dealers said the main spur behind the pound's strength was high British interest rates.

In earlier European trading, the dollar was fixed in Frankfurt at 1.8205 DM, down from Friday's 1.8305 DM, and in Paris at 6.0535 French francs, down from 6.0965.

In Zurich, the dollar closed at 1.5245 Swiss francs, down from 1.5347 on Friday. (UPI, Reuters)



James A. Baker 3d

No Target Set In Dollar Rate, Baker Repeats

LONDON — James A. Baker 3d, the U.S. Treasury secretary, has reiterated that an exchange rate goal for the dollar was not set last month at the meeting of the six major industrial nations in Paris.

Mr. Baker, in a television interview Monday, said that "we don't have a target for the dollar" and declined to name a desired level for the currency.

But, he said, U.S. protectionist sentiment was becoming "extremely strong" and "extremely disturbing" in response to widening trade deficits and import barriers imposed by other countries.

"As I've said before, we sort of see ourselves as engaged here in a real struggle to preserve the world's free trading system, because if that system breaks down, the world's largest market in the world," the United States, "goes protectionist."

He said the problem must be addressed "on the exchange rate side, but it cannot be solved on the exchange rate side alone. It's far more comprehensive and broad than that, and the solution of it requires a comprehensive approach."

German Bond Yields May Fall Now, Rise Later, Experts Say

FRANKFURT — West German bond yields could decline over the next few months if recent efforts to stabilize exchange rates extend to keeping down European interest rates, banking economists said Monday.

But in the longer term, domestic yields could rise under agreements to stimulate West Germany's economy, they said in interviews.

Last month's Paris accord among six leading industrial nations has so far successfully stabilized currencies with the threat of central bank intervention, economists said.

Economists speculated that the Group of Seven countries might try to bolster the pact by uncoupling U.S. and German interest rates further when they meet for the interim committee of the International Monetary Fund in April.

The recent round of monetary accommodation by the Bundesbank and the Bank of Japan and the firming of the federal funds rate are significant. They mark an uncoupling of move-

ments in U.S. and foreign interest rates. Salomon Bros Inc. said in a recent study.

The study said narrowing of international interest rate spreads was a major factor in the dollar's fall. These spreads will have to be widened if the dollar is to be stabilized.

The president of the Bundesbank, Karl Otto Pöhl, encouraged the United States not to cut interest rates in January when the Bundesbank cut its own rates by half a percentage point, to avoid weakening the dollar.

West German economists see room for further cuts in leading German rates if the dollar resumes its decline.

The Bundesbank's average yield of public paper is already nearing last year's low. Last week, yields fell to around 5.50 percent, out far from the 1986 low of 5.35 percent.

Economists said the trend may cause domestic investors to shift some funds from short to longer-term paper. Such a move would tend to flatten the yield curve between short- and long-term rates.

It might also facilitate a further cut in leading rates, as the shift out of savings accounts into securities would slow growth of the Bundesbank's central bank money stock aggregate.

But conflicting with this trend are plans to augment West German tax reductions, part of the Paris currency pact that is designed to meet U.S. demands for faster growth in West Germany. This move may force interest rates up by necessitating higher government borrowing.

Josef Körner, chief economist of the IFO German economic forecasting institute, said in a newspaper interview that he expected 1987 tax revenue to be 11 billion Deutsche marks (\$6.02 billion) below estimates by the West German government in November.

Any tax shortfall in itself is unlikely to push yields up. But coupled with other factors such as waning foreign speculative buying of mark bonds on the dollar's decline, long-term yields may have to rise, economists said.

Public borrowing in 1988 may also rise because of increases in the second phase of Bonn's tax package. The government is increasing tax cuts in 1988 by 5.2 billion DM to 14.4 billion.

Seoul Reports Growth of 12%

UNITED PRESS INTERNATIONAL SEUL — The South Korean economy grew by an adjusted 12.5 percent last year, its highest growth rate in a decade, the Bank of Korea said in a provisional estimate Monday.

The gross national product reached \$95.1 billion for the year, the bank said. It attributed the 1986 performance largely to growth in the manufacturing sector and brisk exports. The economy grew 13.4 percent in 1976.

Manufacturing expanded by 17.4 percent and exports rose 26.3 percent last year, the bank said. Heavy industry grew 23.5 percent, led by products including videotape recorders, ovens and automobiles, while light industry, including textile and rubber products, expanded by 9.7 percent.

CHIPS: Japan Acts to Placate U.S.

(Continued from Page 1) of Commerce Malcolm Baldrige, Secretary of the Treasury James A. Baker 3d and Trade Representative Clayton K. Yentzer.

These moves came as frictions over semiconductor trade worsened on both sides of the Pacific. Last Thursday night, the U.S. Senate unanimously passed a resolution calling for retaliation against Japanese chip makers.

Mr. Yamamoto of the trade ministry's information industries bureau said that if sanctions were imposed regardless of Japan's efforts to uphold the semiconductor agreement, Japan would act.

"Of course, if certain actions are taken in the United States, we must react," he said. "But we are doing our utmost so that we don't bring

San Miguel: Battle for Giant Is a Case Study in Post-Marcos Changes

(Continued from first finance page) ernment, the body that sequestered San Miguel shares linked to Mr. Cojuangco.

Mr. Soriano, 35, who earned a master's degree in business administration at the Wharton School of the University of Pennsylvania, declined to be interviewed. But Mr. del Rosario denied that Mr. Soriano had done anything wrong.

The government has sequestered several blocks of San Miguel stock, totaling about 51 percent of the shares outstanding, on the ground that they were bought with money wrongfully obtained. The government-held stock has a current market value of about \$615 million.

The largest of the sequestered stock blocks, which now totals 38 million shares, was held by United Coconut Planters Bank, which Mr. Cojuangco bequeathed. The shares were held in trust for others, but the government believes Mr. Cojuangco is the true owner.

Mr. Diaz said the government arranged the purchase of the stake and raised a down payment by having San Miguel's Hong Kong subsidiary take out a loan against its assets. After a \$25 million down payment was made, the government stepped in to sequester the shares and block the transaction.

But Mr. Diaz is not likely to miss of the same shares as before. Mr. Soriano has proposed a purchase by a combination of foreign and local investors — including the Soriano family — and the company itself. The shares bought by San Miguel would be resold to employees. In addition, a \$30 million to \$40 million stake may be sold to the Philippine social security system.

This arrangement, too, has been criticized as a misuse of company cash, intended to strengthen Mr. Soriano's control. Recently, under government pressure, a three-member panel — one member chosen by

his chance twice. If a majority of shares is still in government hands at this May's shareholders' meeting, control apparently will pass to the government directors.

So San Miguel is moving hurriedly to arrange another purchase of the stake associated with Mr. Cojuangco.

For all the allegations of impropriety, Mr. Soriano appears to be very popular. "There's a feeling, rightly or wrongly, that the Sorianos have first claim on the company," said Rolando S. Aicaza, president of Ascor Hagedorn Securities. "The Soriano name carries a lot of good will and credibility."

For the past year, about half of San Miguel's top management's time has been taken up by disagreements over share ownership. Mr. del Rosario said. And, he said, the uncertainty has curtailed the company's strategic planning.

Gradually, however, the problems are sorting themselves out. And at other companies as well, sequestered shares are being sold, with the proceeds going into escrow until it can be determined whether they were bought with stolen wealth. New managers and companies are gaining experience in disputes that, a year ago, they suddenly found themselves leading.

Monday's OTC Prices. NASDAQ prices as of 4:30 p.m. New York time. Via The Associated Press.

Table of OTC prices for various stocks including A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table of stock prices for various companies including A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

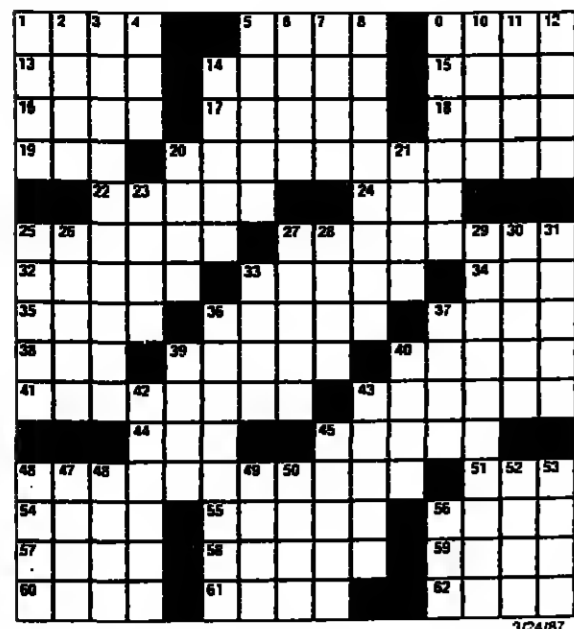
Table of stock prices for various companies including A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

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ACROSS
1 Haydn
5 One-horse town
9 Silent one
13 Borodin prince
14 Kind of power
15 Hit the roof
16 Theater section
17 Carpenter tool
18 Hungry
19 Matter for Rollo May
20 Little League "lumber"
22 Rancho rooms
24 Farewell
25 Approve
27 Succeeded at the plate
32 Etching agents
33 Cretan city
34 Huxtable or Rehban
35 Medicines
36 Catalogues
37 Mid-21st-century year
38 Bug
39 Compensate, in a way
40 Luce's
41 Picket's sign
43 Under wraps

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PEANUTS



BLONDIE



BEEBLE BAILEY



ANDY CAPP



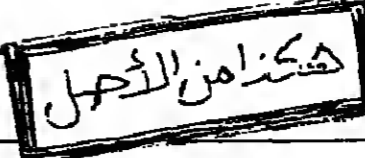
WIZARD OF ID



REX MORGAN



SPORTS



UNLV, Indiana Rally From Far Back to Make Final Four the Hard Way

Rebels Regain 3-Point Touch To Spark Victory Over Iowa

By Peter Alfano
UNLV scored its most impressive and dramatic victory of the season on Sunday, snapping a four-game losing streak with a 64-51 victory over Iowa...



Forward Eldridge Hudson, after UNLV's net victory over Iowa.

Defensive Pressure Helps Edge Mistake-Prone LSU, 77-76

Compiled by Our Staff From Dispatches
CINCINNATI — In a game that lived up to its billing as a test of muscle and will, Indiana relied on resilience and capitalized on mistakes to defeat Louisiana State, 77-76, here Sunday to earn a semifinal berth in the NCAA basketball tournament...



ON TARGET — Ben Crenshaw shot a 5-under-par 67 Sunday to win the 13th title of his PGA career, a 3-stroke victory over Curtis Strange in the USF&G Classic in New Orleans.

Nettles, 42, Itching to Make a Comeback

By Shirley Povich
Washington Post Service
FORT LAUDERDALE, Fla. — He was named the sixth captain in New York Yankee history in 1982 and nobody was better serving their image as baseball's destroyers, the game's long-ball team...

SCOREBOARD

Table with columns for Baseball, Hockey, and Basketball. Includes sub-sections for Transition, NHL Standings, NCAA Tournament, NBA Standings, and College. Lists various sports events and results.



Third baseman Craig Nettles, making one of his copyright diving grabs during his gold-glove days with the New York Yankees.

Exhibition Baseball

ATLANTA — The Atlanta Braves and the New York Yankees will play an exhibition game on Sunday...

Golf

Top finishers and winners in the USF&G Classic which ended Sunday in New Orleans...

European Soccer

SPANISH FIRST DIVISION
Las Palmas 0, Sabadell 1
Espanol 3, Athletic Bilbao 1

Tennis

MEN'S TOURNAMENT (All Rounds, Paris)
Christo van Rensburg, South Africa, def. Jimmy Connors, U.S., 6-3, 2-6, 6-1.

INTERNATIONAL CLASSIFIED
(Continued from Back Page)
ESCORTS & GUIDES
INTERNATIONAL ESCORT SERVICE
USA & WORLDWIDE
LONDON ESCORT AGENCY
NEW YORK-CHICAGO
GENEVA ESCORT SERVICE
ZURICH ESCORT SERVICE

